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Forward with a people-driven RDP

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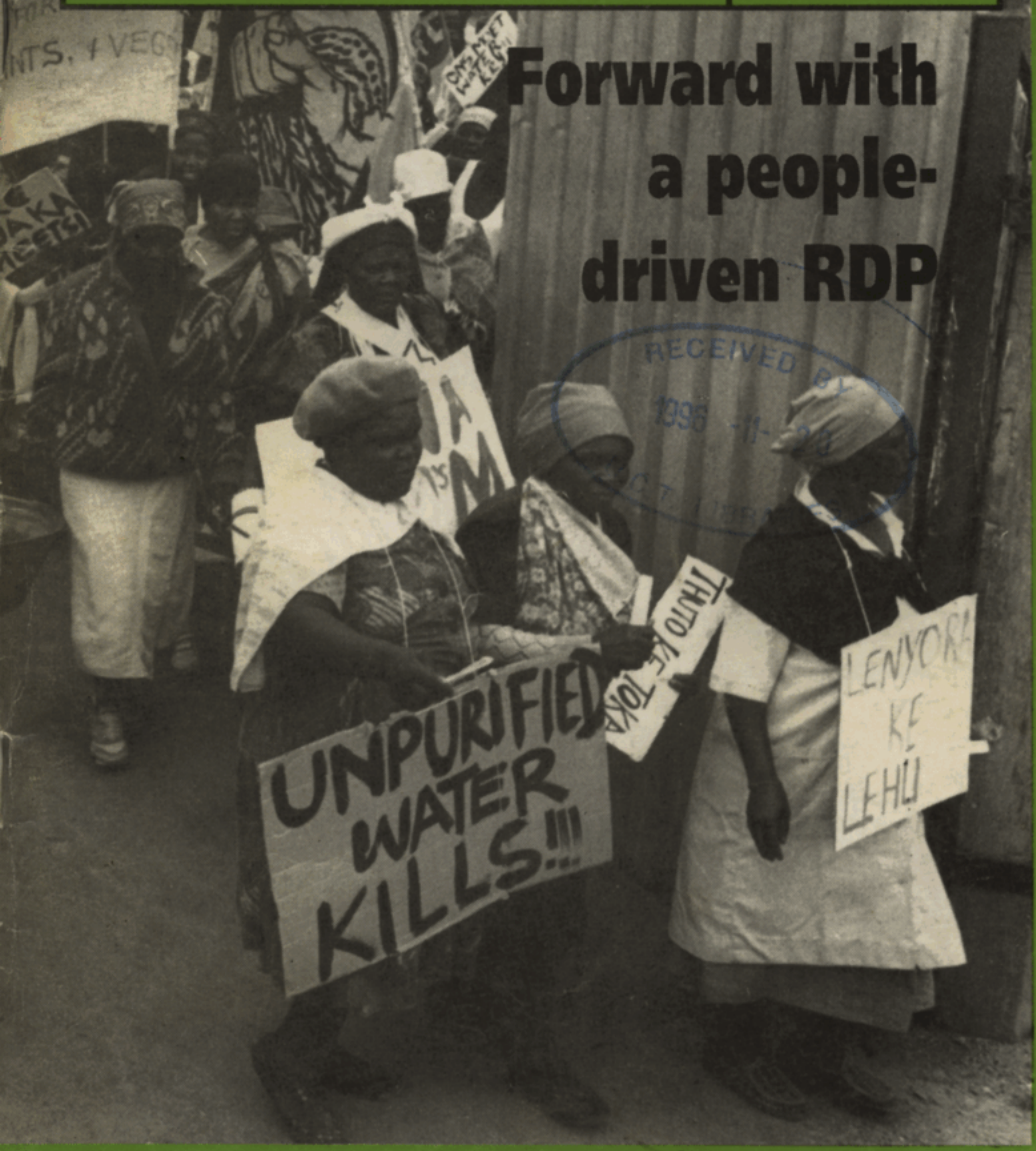

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Towards a people-driven RDP

The **Reconstruction and Development Programme** describes itself as "a people-driven" process, both in the sense of being people-centred (based on the social needs of our people), and in the sense of relying on their energies, aspirations and self-organisation to drive it. It is in this people-driven aspect of the RDP that its most progressive potential lies.

But what, beyond broad slogans does "a people-driven" RDP mean? And why is it so important to stress this theme?

Collectively, as a broad liberation movement we cannot claim yet to have adequately elaborated and developed in practice a people-driven RDP process. We cannot yet claim to be as clear as we should be on this question.

But in the weeks since the April elections, at least a number of things have become clearer.

One critical reason for continuously underlining the people-driven aspect of the RDP is that it draws attention to the centrality of redistribution and restructuring within our programme. There is a continuous chorus about affordability. "The RDP is very noble in its ideals, but where will the resources come from?" The answer in the original *RDP* document is that the bulk of resources already exists within the government budget, and more broadly within South Africa itself, in both the public and private sector. The RDP is crucially about unleashing and redirecting existing resources, opportunities and assets.

This requires determination from the new democratic government, but it also requires reinforcement from outside of government. As the SACP's discussion document for the November Socialist Conference notes: "Redistribution and reconstruction necessarily imply struggle, and it is struggle that is [too often] being wished-away." Struggle, as the document also notes, is not the prerogative of extra-governmental forces, it is an all-round struggle in and out of government.

SACP general secretary Charles Nqakula, in his speech to the COSATU congress, makes the same basic point more graphically: "we all know that resources don't just redistribute themselves. Money doesn't spontaneously throw itself at the poor. Opportunities are not just going to migrate into the most marginalised rural areas of our country. And that is why, the RDP is a people-driven programme."

Part of our strategic opponents' strategy in the current situation is to place unbearable pressures on those

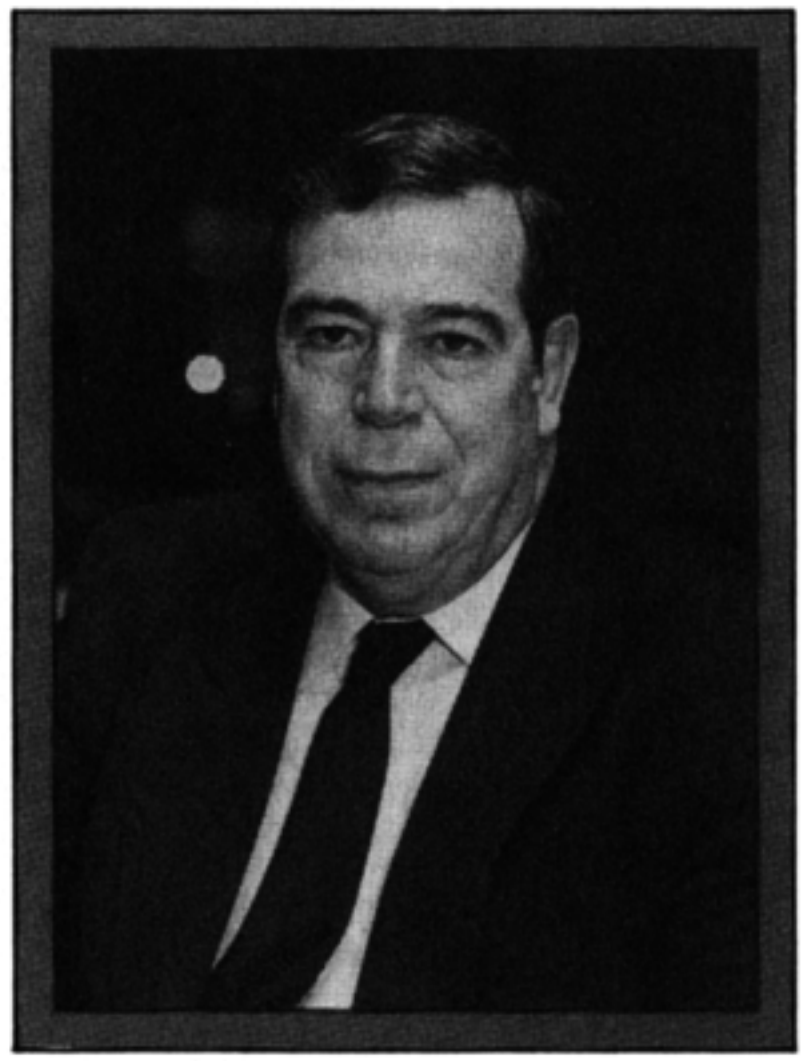
in government. The objective is to undermine the coherence and aims of the RDP. But at a mass-based, popular level we are often guilty of reinforcing these pressures. We all keep asking: When is government going to deliver?

In the words of Nqakula, this "creates enormous pressures on our comrades in government, and it can quickly lead to them taking all kinds of short-cuts - striking deals with the devil, quick-fix schemes that simply cannot be sustained. We certainly need the co-ordination and initiative of government. But unless we organise, struggle and assume responsibility for the RDP ourselves, we will not have an RDP." ★

Reserve Bank – Independent of whom?

"The government has changed but the goals of the Reserve Bank remain the same." That is the smug sub-title to an article in a recent *Financial Mail* supplement on the South African Reserve Bank. The message will be of great comfort to the main readership of the *Financial Mail* — those in our country who want life to remain the same even if the government has changed.

The *Financial Mail* is certainly not wrong to portray the Reserve Bank as an unchanged institution. Its governor, Chris Stals, has been re-appointed for a second five-year term. Like Stals, the Deputy Governor, the Senior Deputy Governor and the



Reserve Bank governor Chris Stals

Deputy Governor are all white, Afrikaans-speaking males.

The current Mission Statement of the Reserve Bank describes as its primary goal ensuring that "South Africa has a vigorous economy based on the principles of a free market system, private initiative and effective competition." In the entire Mission Statement there is not a single reference, however vague or broad, to the general ideals of reconstruction and development. Clearly we are dealing here with an incredibly self-righteous institution.

It is true that the present Interim Constitution does assert the need for an independent Reserve Bank. But independent of whom?

There are good arguments for ensuring that monetary policy is not manipulated by politicians (or anyone else) for short-term tactical needs. We do not want monetary policy being adjusted in unsustainable populist ways on the eve of elections, or to distract attention from a government blunder.

The present Reserve Bank and its governor have very little sympathy for the RDP and the ANC-led government's election mandate. That might make them independent of the ANC-led government, but it certainly does not make them *independent*. They have close personal and historical ties with the white corporate and particularly financial sector. The "independent" policies of the Reserve Bank closely reflect the strategic interests of this privileged minority in our country.

Class prejudices

Even the *Business Day* (August 23) recently criticised the Reserve Bank's gross anti-worker bias. The newspaper took exception to the Bank's annual economic report singling out worker struggles as a prime cause for our economic difficulties. According to the *Business Day*, Reserve Bank attitudes behind phrases like "the ongoing internal labour unrest", "disorderly labour conditions", and "recent aggressive wage demands" were the "nearest thing to a tirade that a central bank can allow itself". These attitudes, *Business Day* concluded, are "at best, superficial and not particularly helpful in national efforts to bring greater flexibility (and peace) to the market."

The class prejudices of a Bank that is supposedly independent are, of course, deeply troubling although

DEPUTY GOVERNOR
Chris de Swardt

SENIOR DEPUTY GOVERNOR
Pierre Groenewald

DEPUTY GOVERNOR
Jaap Meijer

not surprising. More serious than attitudes are the actual policies that the Bank continues to impose on our country.

In particular, the hall-mark of Stals's monetary policy is the defence of the rand and the attempt to kill inflation by maintaining punitively high interest rates — that is, a high price for borrowing money. In September Stals once more raised the interest rate, probably wiping out hopes of an effective economic recovery in the coming year. As Charles Millward and Vella Pillay recently pointed out, Stals's obsessive, one track strategy (keeping the interest rate high) strikes heavily and disproportionately at ordinary consumers and small business. "Large corporates", they write, "with direct access to the money markets avoid much of the pain."

an obsessive one track strategy

As the RDP has noted, the essential problems in the South African economy are deep-seated structural problems, requiring major transformation. Instead of working in tandem with this general policy of major restructuring, the Reserve Bank's "knee-jerk reaction", Millward and Pillay write, "is to pressure the most vulnerable sectors — consumers and small business — by reducing disposable incomes. Give your money to the banks rather than waste it on Japanese television sets is [Stals's] clear message. Stals's great strategy of defending the rand and fighting inflation looks progressively more hopeless."

Central banks in developing countries

Paul Bowles (University of Northern British Columbia) and Gordon White (Institute of Development Studies, University of Sussex) have recently produced a valuable study on central (or reserve) bank independence. The needs of developing countries, they argue, are quite different from the advanced capitalist economies.

It is worth quoting the core of their argument at some length: "One of the key institutional characteristics of the successful East Asian late developers [South Korea, Taiwan and China] has been their control over their financial systems. The NICs [newly industrialised countries] and China have used their financial systems as a crucial part of an overarching state led development strategy. In particular, the low interest policy loan has been a central feature of government policy in determining investment priorities, allocating capital and shaping industrial growth...In all of these cases...states have followed an interventionist industrial policy premised on the logic of the theory

of late development, in which low interest rates for long term credit have been used to channel resources into specific sectors. This has only been possible because the policies of the central bank have been determined within the general development policy making framework...The central banks in these three countries have therefore had relatively circumscribed roles and have generally operated as but one, often subordinate, player in the government apparatus."

All of this contrasts fundamentally with the role played by central banks in the advanced capitalist economies. In the case of Taiwan, South Korea and China "the central bank is a part of the institutional framework of the developmental state and as such is assigned a role quite different from that envisaged in the Northern debate of an agency existing beyond control with a single mission of price stability."

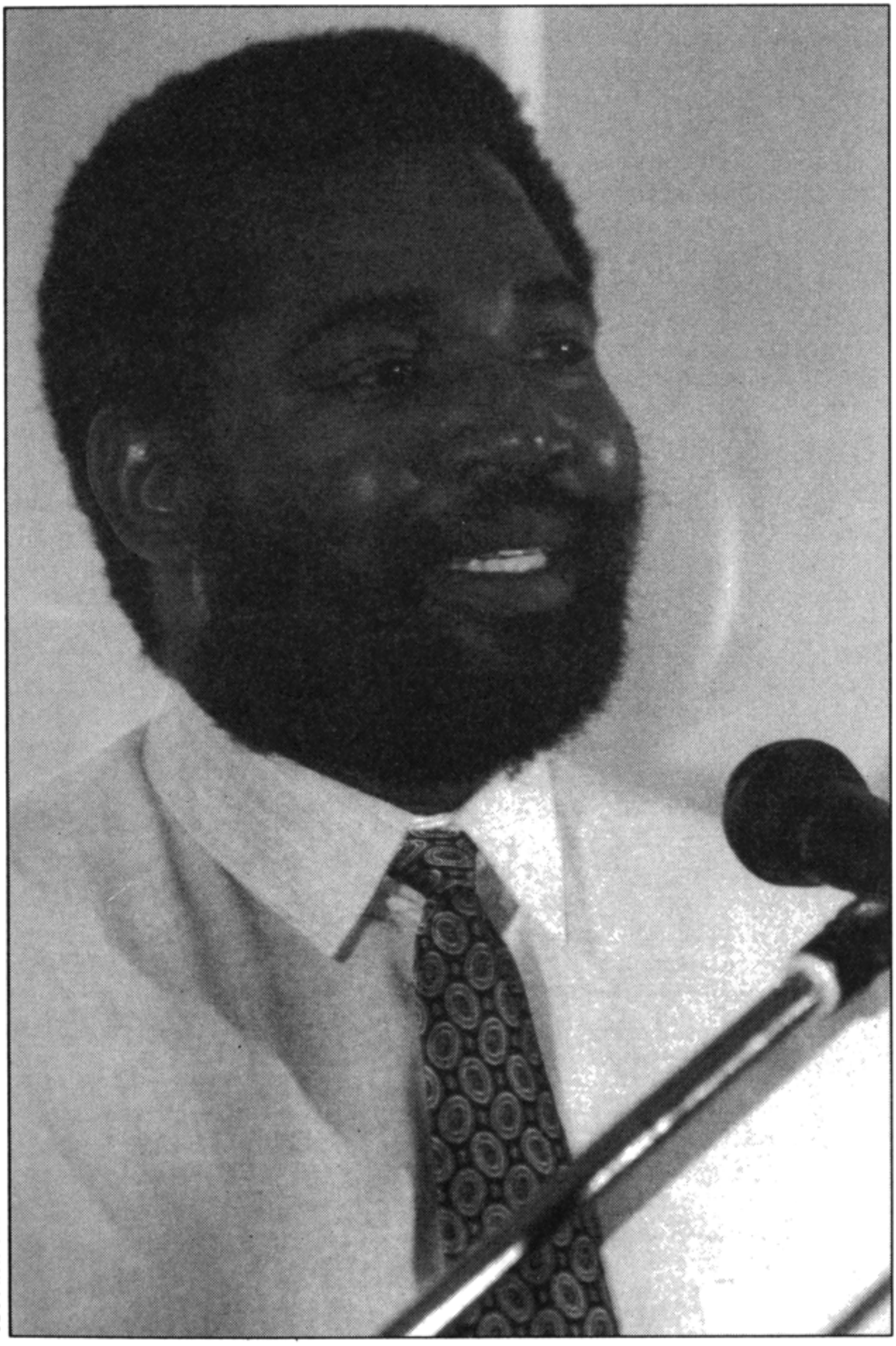
It is quite obvious that with Stals's Reserve Bank we are aping an absolutely inappropriate model. Stals's Reserve Bank is inimical in outlook, composition and policies to the huge reconstruction and development that confronts us in SA.

Time for change

It is time that the Reserve Bank was transformed. The original *Reconstruction and Development Programme* is quite clear about this: "The Interim Constitution contains several mechanisms which ensure that the Reserve Bank is both insulated from partisan interference and accountable to the broader goals of development and maintenance of the currency."

The new *RDP White Paper* repeats this correct formulation more or less word for word – even if it now overemphasises the role of "high real interest rates". In the original *RDP* there was also some brief elaboration on how non-partisan independence within a developmental context could be achieved: "the law must change the Act governing the Reserve Bank to ensure a board of directors that can better serve society as a whole. The board must include representatives from the trade unions and civil society. In future, a stronger board of governors should emerge through the appointment of better-qualified individuals."

Isn't it about time we followed the RDP's advice? ★



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Forward with a people-driven RDP

Address of *Charles Nqakula*, SACP general secretary, to COSATU's 5th National Congress, Soweto, September 9 1994.

Together, as an alliance, and with the great majority of our people we scored a major electoral victory in April.

That victory has created the conditions for a relatively rapid advance to consolidate our basic national democratic goals. Those goals were set out broadly in 1955, in the Freedom Charter. The RDP represents a more detailed, more practical application of the very same fundamental perspectives. In September 1994 this is now possible.

But standing between us, and the realisation of these goals, lie many struggles and many obstacles. If we fail to recognise this, then we will throw away the victory that we scored in April.

Our first struggle is the struggle for the heart and soul of the RDP.

The RDP bandwagon

Just 4 and 5 months ago our strategic opponents were dismissing the RDP as "macro-economic populism", as "empty electioneering". Today, they want us to believe that THEY are the RDP's most fervent disciples.

- **Armscor** bows its head to the RDP and then exports G5 artillery cannon to the petro-feudal regime of Kuwait. They want us to believe that arms sales to anti-democratic regimes are the cutting edge of the RDP.
- In **companies** up and down SA, the initials RDP have become a new public relations stunt. Management is creating window-dressing "RDP Departments", not to promote reconstruction...but to **avoid** it.
- Others are telling us that the RDP should be funded by **lotteries** and **casinos**.
- Still others tell us that the RDP is basically about attracting **foreign investors** — that's why workers mustn't rock the boat, they'll "frighten away foreign investors".
- Even Anglo American chairperson, **Julian Ogilvie Thompson**, has got into the RDP act. He, too, now says he supports the "basic goals of the RDP". What is more, having opposed redistribution to fund the RDP, he has suddenly swung in favour of redistribution. If we want to have an RDP, he says, we must redistribute state property to the private sector.

(Ogilvie Thompson is, of course, too modest to say who will be the main beneficiary of any privatising.)

• **Chris Stals** (De Klerk's governor of the Reserve Bank and now "**our**" governor of the Reserve Bank), says he too now supports the RDP. In fact, he has proposed a marriage between the RDP and the National Party's old Normative Economic Model. That sounds to me like the frog threatening to kiss the princess.

"defend the fundamentals of the RDP"

This, then, is our first struggle, comrades: To defend the integrity and fundamental principles of the RDP.

What are these fundamental principles?

• A programme based on social needs

The RDP is an economic and social programme to return our economy to stability and growth **THROUGH** meeting the basic needs of our people — jobs, houses, affordable health-care and education. It is a programme for the construction of major rural and urban infrastructure — water, roads and electricity.

The RDP says we must judge its success or failure on whether it begins to meet these basic social needs.

For the RDP, the basic measure of success or failure is not our inflation rate, or the level of government spending, or whether we meet (and even improve by 50%) the trade liberalisation measures that GATT demands.

We may, or may not, have to reduce inflation or government spending. We may, or may not, have to meet the GATT requirements.

Whether we do or not, must depend on whether these measures will help us to meet in a **sustainable way** the social needs of our people.

In the SACP we are not arguing for "macro-economic" populism, or for fiscal indiscipline, or for a soaring inflation rate. But we are saying that fiscal discipline, or a particular level of government spending, or GATT agreements are **not** sacred cows. They must be instruments for meeting our basic social goals. They are not ends in themselves.

Redistribution and Restructuring

But where will we get the resources to implement the RDP?

Some argue that our principal hope lies in foreign funding.

No doubt, foreign aid and investment will need to play a role in the RDP. Although we must look very carefully at much of this "aid". Figures of several billion rand are

quoted. But the great bulk of this money is very often earmarked as special subsidies for British exporters, or Japanese exporters, or US exporters. Or it is fees for foreign consultants of all kinds. Much of it is not money coming to SA, it is money staying in the donor country. It is money to improve the competitive edge of British business against its Japanese, or French, or German competition.

What we get, as South Africans, is often technology or imported commodities that we don't particularly need. Which causes job losses here in SA. And which goes on to build a life-time of dependency.

Others argue that the RDP can be funded from all sorts of gimmicks — lotteries and casinos.

But what does the RDP itself say?

It says that it is a programme of **redistribution** and **restructuring**.

Take just one example. Last year in SA we spent more on education than the entire annual Gross National Product of Tanzania. Yet there is a better literacy rate in Tanzania than there is in SA!!

That simple example tells you something. It tells you that there **are** resources in SA after all.

And that is why the RDP is fundamentally about redistribution and restructuring. It is a programme to ensure the redirection of resources, wealth and opportunities.

But we all know that resources don't just redistribute themselves. Money doesn't spontaneously throw itself at the poor. Opportunities are not just going to migrate into the most marginalised rural areas of our country.

And that is why, THIRDLY, the RDP is

• A people-driven programme

One of the most subtle strategies to undermine the RDP is to place massive pressure on the government to "deliver". And all of us are falling into that trap. We are all tending to sit back and wait for government to "deliver".

"don't sit back and wait for government"

This, in turn, creates enormous pressures on our comrades in government, and it can quickly lead to them taking all kinds of short-cuts — striking deals with the devil, quick-fix schemes that simply cannot be sustained.

We certainly need the co-ordination and initiative of government. But unless we organise, struggle and assume responsibility for the RDP ourselves, we will not have an RDP.

This brings me to the question of the recent wave of workers struggles. Many of you will know that the SACP spoke up very early on in these strikes to say that it was absolutely wrong to portray them as being in contradiction with the RDP.

As an unnecessary delay, or subtraction from the RDP.

These are struggles fundamentally about **redistribution** and redistribution lies at the heart of the RDP. Of course, we are not saying that strikes and wage demands are the only, or even the major way of redistributing wealth, resources and opportunities in our country. But they certainly have their place.

"the real elites are the first to call you an elite"

There has been a major ideological offensive against organised workers. Workers, we are told, are an "elite" taking away resources from the poorest of the poor.

But who supports the poor in SA? There is no effective social security net. It is workers who are supporting the poorest of the poor. Just about every employed black worker is supporting five or ten or more unemployed people. It is in this context that workers' wage demands need to be understood.

But are employed, organised workers an elite? It is interesting how the real elites – those in management, those in the media, those in politics are the first to call you an elite. But, yes, in a sense, most employed workers are better off than the 5 or 6 million unemployed. Organised industrial workers in the formal sector are more powerful than unorganised workers in petty industry.

It is precisely for this reason that Marxists have always said that the working class needs to be the leading class force in the struggle for liberation and democracy. That role has everything to do with the numbers, with the strategic location in production, and with the collective organisation that capitalism itself imposes on workers. Marxists have said that workers have massive potential power, we have not said that workers are necessarily the poorest, or the most desperate, or the most marginal.

Our strategic opponents are perfectly happy to have an "RDP" that consists in a few do-good projects in some distant corner of SA.

What they fear is the collective power of the organised work-force inside their own factories, mines, banks, farms and shops. That's what they fear. Because the organised working class is the sole class force that is capable of leading the struggle for fundamental redistribution and restructuring.

But that power, comrades, also carries responsibilities.

- To its credit, COSATU has never adopted a narrow "workerist" approach to struggle. COSATU and its affiliates have always located working class struggles in the wider context of a broad struggle for liberation and democracy for ALL. These traditions must never be forgotten.
- In our statement in support of the

present wave of strikes we also called on workers to broaden their demands from wage demands (to which they have every right) to other more fundamental issues as well. Issues that begin to address the question of the restructuring and democratisation of production — an end to top-down management authoritarianism, an end to racism on the shop-floor, continuous training and upgrading of workers, greater levels of co-determination on investment decisions. These and many other transformational demands need to be placed more and more in the foreground.

• Gravy train

The SACP and COSATU have been together in the forefront of the struggle against the gravey train in the upper echelons of the public sector. We pledge to continue this struggle.

Our concerns are threefold

- in the first place it is scandalous that huge amounts of money are squandred.
- in the second place, we condemn the terrible gap that exists between the lowest and middle order of salary scales in the public sector and the higher echelons. The Melamet Commission, in making its recommendations, said that we need to look at private sector wages and salaries. But, comrades, private sector salaries in SA reflect not merely an unjust capitalist culture, but, worse still, the results of years and years of racist oppression. Nowhere in the world will you find such a steep climb from the lowest wages to the highest salaries. There is no way that a new democratic SA can simply reproduce that reality without asking questions, both in the public and in the private sector.

But our concern is also a practical, political concern:

- our strategic opponents failed to elect the government they wanted. Now they want to **infect** the government **we** elected. If we are not careful we will go quickly from a majority elected government, to a minority infected government. The transfer of power will turn out to have been the transfer of privileges. We are not saying that this has happened here yet. It has certainly happened in many other countries. We have a duty to make sure it doesn't happen here.

"the world out there is not a family picnic"

• International

There is another area of political life in the new SA that concerns us as a Party.

There is an enormous naivete about the international situation. How often do we hear lovely phrases like: "SA can now take its rightful place among the family of nations."

Comrades, the world out there is not a family picnic to which we are

now invited.

Last year, 23 million people died of starvation in a world which is not short of food. 1 000 million people live in absolute poverty in the so-called Third World. But there is also a third world within the First World. A black American boy born today, statistically stands a better chance of ending up in prison than in university.

"we must not be naive about the realities of the world"

Through the 1980s the sado-monetarist policies of Thatcher, Reagan and Chris Stals (the one who wants to marry Reaganomics and the RDP) rolled back the social gains of the poor and working people in the North, and devastated the Third World, not least our own continent. Through the IMF, the World Bank and agreements like GATT they have opened up Third World economies to their own agendas, while erecting massive protectionist barriers around their own economies. The US, which so continously preaches trade liberalisation, is one of the most protected economies in the world.

That is the world we are "joining". We are joining it, not as a picknicker, but as a potential sandwich.

This is why, comrades, our RDP must be based as much as possible:

- on our own resources
- on our own needs
- on an inward industrialisation, on a massive programme of South African urban and rural infrastructural development. Insofar as we prioritise beyond our own borders it should be, in the first place, to our southern African region that we turn.

The RDP is not, and should not be, essentially an **export-led** growth path. The more you depend on exports, the more vulnerable you become to the dictates of the powerful economies to which you are exporting.

This is the increasing fate of South Korea, for instance. Once the Cold War darling of imperialism, South Korea is now seen essentially as a trade competitor by the US. Each year that goes by sees increasing pressure on South Korea to shut down more and more of its agricultural sector so that the US can export food to a country that was once food sufficient. When a country like South Korea gets to be too competitive with US firms, the US simply passes "anti-dumping" legislation.

We are not saying that SA can neglect exports.

But we are saying that we must not be naive about the realities of the world in which we are living.

This is why we are concerned when the Trade and Industries Minister says in Parliament in his budget speech that "competitiveness" is the key to our Trade and Industry policies. Are we going to be competitive with Indonesia (where comrade Madiba has just visited), a country in

which the military regime has just banned the one independent trade union federation?

Our international policy needs to be based much more on solidarity with working class and democratic struggles. This is the just course, and it makes economic sense too.

• Socialism

In November COSATU and the SACP, following a resolution of your Special Congress last year, will be jointly convening a Socialist Conference for Reconstruction and Development. At that Conference I am sure that we will reaffirm the basic perspective I have tried to outline today.

Socialism is more relevant than ever. Socialism is not a foreign country. Socialism is not some utopian dream. Socialist perspectives, socialist morality, socialist understanding needs to inform our daily struggles, right now.

Socialism is about building an economy based on social needs, not private profits. Socialism is about rolling back the empire of market totalitarianism. Jobs, shelter, healthcare, education — these are not commodities. They are basic human rights.

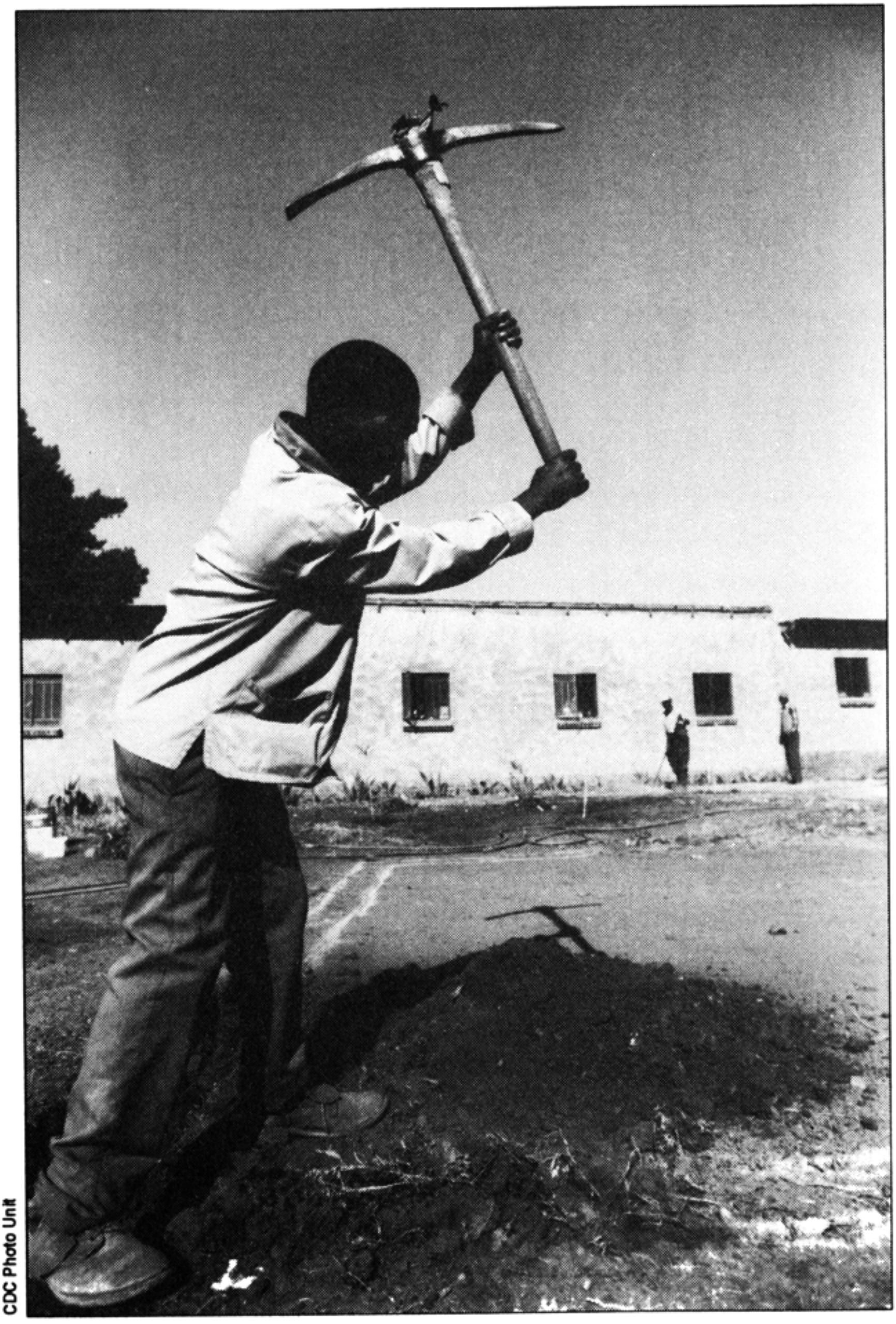
Socialism is about transforming the power on the markets. The markets in SA are not some natural force like the weather. The markets in SA reflect decades of racial oppression and capitalist exploitation. Let us use the RDP to empower workers, poor communities, rural people, and many others on the markets.

Socialism is about international working class solidarity. Socialism is about the co-operation, not the competition, of workers from the South and the North.

Socialism is about daily democracy, not just democracy every four or five years. Socialism is about democratising all power. Who said socialism is irrelevant? Who said socialism is dead?

"socialism is not a foreign country"

PHANTSI NE'CAPITALISM, PHANTSI!
FORWARD TO SOCIALISM IN SOUTH AFRICA, FORWARD!
LONG LIVE INTERNATIONAL WORKING CLASS SOLIDARITY! ★



CDC Photo Unit

Radical as reality

In this comradely rejoinder to Patrick Bond ("RDP: site of socialist struggle", *AC* 2nd quarter 1994), ***Hein Marais*** agrees that socialists need to defend the Reconstruction and Development Programme. However, he argues, this requires more than a textual reading of the *RDP*, it calls also for a broader understanding of the context within which we find ourselves.

Lenin, according to a Romanian poet sharing his table in a Zurich cafe 77 years ago, ended their conversation one day with this punchline: "One can never be radical enough; that is, one must always try to be as radical as reality itself." {1}

It's a stirring, resolute statement that seems to spur an unfaltering and unflinching radicalism. But read closely, it turns out to be more complex; mixing agitation and prudence, Lenin was counselling a radicalism that rests on a lucid and frank understanding of reality.

Patrick Bond's article ["RDP: site of socialist struggle"] is a valuable attempt to elaborate a radical vision for the Left. Correctly, he reminds us that the RDP has become a pastiche of agendas and strategies; as a kind of road map towards transformation it pretends to lead divergent social forces to their respective promised lands. The RDP's meaning lies in the eyes of its beholders.

The RDP is not "ours" any longer; it is a site of struggle. What are the stakes in this struggle? In political-economic terms it is about determining the nature of a new growth path, i.e. a set of economic and social policies that place society on a particular course of development. The popular classes demand that it be based on substantial redistribution of resources, opportunity and power – such that the trends that divide our society between small enclaves of privilege and an impoverished majority are broken. The RDP obviously does not encompass such a venture; but potentially it forms a significant element. The priority of the SA capitalist class, meanwhile, is a growth path that achieves a new sustained cycle of accumulation – which im-

plies different priorities in the RDP.

The result is an RDP that is "less what it is, than what it might become", as Canadian marxist John Saul has noted {2}. Helpfully, Bond excavates those aspects of the RDP in which we "can take heart" – the bridgeheads or toeholds it presents for "an eventual transition to socialism". These are important pointers towards developing a cogent Left strategy to push the transformation project beyond the limits envisioned by capital.

"The RDP does not exist on its own terms"

However, and for whatever reasons, Bond omits from his essay a crucial element: an assessment of the context – **the reality** – within which we are engaging. It's as a comradely rejoinder, then, that I'd like to add a few thoughts that might assist a better understanding and a more effective engagement in the struggle to transform our country.

The RDP does not exist on its own terms. It is an aspect of the broader struggles to determine the shape of a post-apartheid South Africa. This means that subjecting the RDP to a kind of content analysis reveals much less about its character than Bond allows for. Fundamentally, the RDP's potential to become the core of a genuine transformation project depends on the impact of decisions taken elsewhere in the system. Already, they include:

- The policies agreed to by the ANC in the IMF Letter of Intent mean that economic growth takes priority over redistribution. The letter has not been made public, but according to media reports {3} it committed the new government to reduce the Budget deficit to 6% of GDP, not to increase corporate taxes, to cut the civil service wage bill, to continue tight monetary policies, to pursue policies that combine wage restraint and training, to foster investment and promote employment, to rationalise tariff barriers and phase out non-tariff barriers. This severely limits the state funds available for redistribution under the RDP;
- Key decision-making powers are left with a Reserve Bank that is insulated from political "meddling" (one of the key compromises of the political settlement). These powers include setting bank and interest rates, dealing with Balance of Payments (BoP) matters (by, for instance, applying for IMF standby facilities), controlling inflation and intervening in the international value of the Rand. This institution responds to and services the generalised needs of the SA capitalist class. Are there mechanisms to bring its decisions in line with a growth path aimed at breaking the insider / outsider trends it has helped establish?
- The property clause in the interim constitution virtually rules out expropriation as one way to assist redistri-

bution. In particular it subjects our land reform programme to market forces (following explicit World Bank advice – Bond is wrong to claim that the Bank in general "will be kept at bay"). The limited funds available for land redistribution will now be spent on acquiring – at market prices – land and on providing back-up and support to newly established small farmers;

• The backbone of the new state remains the old civil services – of the central apartheid state and the bantustans. These inherited institutions are adapting unevenly to the new order. In many cases their performance is fitful and unreliable; in several it is obstructive. The liberation movement has succeeded in entering the top ranks but is handicapped by a shortage of skilled personnel to occupy the crucial middle echelons. Training of newcomers will take months, even years, to enable a "spring-cleaning" to occur, assuming that becomes politically viable. Meanwhile implementation of the RDP depends on the judgments and performances of this army of civil servants;

• The federal system. Again, a content analysis of the interim constitution gives little warning of just how federal the new SA actually is. Development and reconstruction in a post-apartheid SA has always been conceptualised as a national undertaking. But the provincial governments have lost no time asserting and attempting to extend their powers. Ironically, it is the ANC premiers who are most vigorously trying to deepen the federal character of the political system; in some provinces these demands verge on becoming confederalist. (The remnants of the old order – NP in the Western Cape, IFP in Natal/KwaZulu – are happy to slipstream behind these new converts to federalism.) The consequences could be grave. How do we prevent the reconstruction and development process from becoming "balkanised" in ways that entrench regional disparities and inequality, and sabotage the nation-building project? Recall the warnings from analysts like Samir Amin about the dangers in combining a federalist political system with an economic strategy that turns the economy outward despite its vulnerabilities – "the two main ingredients of the political economy of Yugoslavia" {4}.

These constraints that weigh in on the RDP are not insurmountable but they are formidable. And they shape the scope and the character of the programme in fundamental ways. Underestimated or ignored, they could reduce the RDP into becoming the latest instalment of the socio-economic reform processes started in the 1980s by the NP.

Somehow the Left has to contest those decisions. However, this is where matters take another twist.

Fateful as those decisions might turn out to be, it is misleading to dismiss or ridicule them as sheer sell-outs or errors of judgment. Taken as a whole, they express the **class compromise** upon which the entire transition rests. We can therefore not isolate economic policies or the RDP

from the political settlement.

This is not to say that each and every compromise decision was inevitable, nor that it remains intrinsic in the transition and therefore unchallengeable. But two points deserve some reflection:

(i) Right now these compromises prop up the transition – the conundrum for the Left is to determine how and which of these decisions can be changed without dismantling the transition itself, and

"Which compromises can be dismantled without dismantling the transition itself"

(ii) The compromises are the outcome of struggles in which the Left participated – how is it that, at this triumphant point in our history, we were unable to tilt the terms of the class compromise more in favour of the popular classes?

This sort of enquiry is discomfiting but essential. It demands that we take stock – with honesty, courage and clarity – of where we are: **organisationally, strategically and conjuncturally**.

This brings us to another aspect of the context that weighs in on the RDP. A set of principles, of ideological pillars, prop up the transition: **conciliation, assimilation** and, centrally, **inclusion**. The transition is defined by them (most obviously in the decision to set up a government of national unity).

The struggles to transform society have to be fought with these terms of the transition in mind. On the one hand they threaten to limit the scope of change. Unless the transition is to be distinguished mainly by the reconciliation of political elites and the induction of a layer of Africans into privileged ranks, these terms cannot go unchallenged and unmodified. On the other hand, the popular classes must discover to what extent the terms can be challenged and stretched, without scuttling the transition.

Together, these principles or terms mark a momentous paradigm shift. Instead of the new political order triumphing over and replacing the old, it is being **assimilated** into it (the state is the clearest evidence of this). Instead of conflict, **conciliation** has become the driving dynamic; the transition proceeds on the basis of mechanisms (corporatist structures, social accords, etc.) aimed at reconciling and transforming conflicting interests into inclusive policies and programmes. Instead of a society formally structured along lines that divide and exclude, the principle of **inclusion** holds sway.

This boils down to the fact that, for the first time in our country's history, we are witnessing an attempt to launch a hegemonic project {5} that seeks to transform society on the basis of inclusion. Until now South

African society has been defined and organised as an ideologically exclusive system. By meeting racial and other criteria a minority of people was guaranteed access to power, privilege and opportunity – the rest were excluded violently and quite literally (into townships, squatter camps, bantustans). At least since the Freedom Charter was passed, the national liberation struggle has aimed to achieve an ideologically **inclusive** system. There is now one SA, with one body politic, and we are all deemed equals in it.

The motto of the new South Africa is "We're in this thing together". Bond refers disparagingly to calls for a "national endeavour" to implement the RDP. But these notions of "national endeavour" and "common interests" cannot be so easily dismissed. They capture the essence of a **hegemonic project** that is being administered by the ANC-in-government but is shaped in crucial ways by the capitalist class. And once again, the RDP and the transformation process in general cannot be divorced from that project. Which is why Jay Naidoo talks of the RDP as a partnership of "everyone ... every organisation, every opinion-making group that can contribute ... that's the protection this government needs to ensure that if anything goes wrong, it will be our collective responsibility" {6}.

In class society, of course, the notion of "common interests" is neither neutral or innocent – it is an ideological device used to generalise and attribute the priorities and interests of one class to all of society. "What's good for Anglo is good for South Africa." The ruling class is predicating the RDP (and transformation in general) on a set of "common interests" that work to its advantage and to the popular classes' disadvantage: prioritise economic growth, minimise "disruptions" and instability, establish attractive climates for foreign investment, narrow the scope of radical measures and so on.

The popular classes – and the Left -- have failed to match those breakthroughs. Keeping "basic needs" at the rhetorical centre of the RDP and inserting "decommodifying" options into it are inadequate responses. We have failed to invest in a much clearer and more encompassing fashion in this hegemonic project (and consequently the RDP) with elements that reflect our interests more strongly. Why?

We are at a decisive crossroads. The stakes are too high for us to proceed on the basis of casual assumptions and misunderstandings. We need to pause and take stock.

How do we respond to the paradigm shifts of the transition? How have our strategies been adapted to current realities? What are our organisational strengths and weaknesses? On what political and ideological bases do we reconstitute ourselves? What is the character of the new state? How do we effectively engage with it and in it?

A revitalised praxis demands a critical assessment of where we are at and a clear-headed understanding of the reality we are engaging in. None of the negative constraints and

erosions I have noted are necessarily unbeatable or unstoppable, but to counter them we need to understand them. ★

Notes

1. Cited by Alexander Cockburn in "Radical as Reality", Robin Blackburn (ed.) *After the Fall: The failure of communism and the future of socialism*, 1992, Verso, London.
2. John Saul, "The RDP: Two Reviews", *Southern Africa Report. (WIP supplement)*, vol.9, no.5, July 1994, p.40.
3. See Vishnu Padayachee, "Can the RDP survive the IMF?" *Southern Africa Report* July 1994, p.26.
4. Samir Amin, "SA in the global system", *Work in Progress* no.87, Feb. 1993, p.11.
5. See Mike Morris and Padayachee, P., 1989, "Hegemonic Projects, Accumulation Strategies and State Reform Policy in SA", *Labour, Capital and Society*, vol.22, no. 1; and Morris, M., 1993, "The legacy of the past", conference paper, Prague.
6. Cited in *Cape Times*, 4 July 1994.

Reconstruction and Development during structural crisis

How much can be done before 'the markets' sabotage the RDP?

If one way to think about reconstruction and development is as theatre, SA's capitalist economy remains a bad set on which to stage the democratisation process. The economy's playwrights, directors and lead actors continue to blunder through a flawed script, through miscues and through missed lines. In spite of the fresh-faced enthusiasm of some, as a collective elite they remain stuck in a rut, unable to move the audience, sensing the growing alienation, fearing the same loss of legitimacy experienced by those who acted before, unable to manage minor crises bubbling up everywhere, and therefore seemingly unable to avoid an impending disaster. The rut they are in is a classical capitalist crisis.

This crisis has been in evidence since the late 1960s, globally, and since the early 1970s in SA. It is usually measured by variables such as job creation and percentage of the workforce unemployed, rate of growth of Gross Domestic Product, indebtedness, and a large number of poverty indicators, all of which confirm that the average South African is worse off now than two decades ago.

Although the crisis has affected the world economy extremely unevenly, SA's experience is not unique. SA's new economic managers are now facing exactly the same difficulties in coming to grips with the challenges of "neo-liberal-

The Reconstruction and Development Programme is in danger of being undermined by government's attempt to please "the markets". ***Patrick Bond*** argues that every attempt to please the markets is simply taken as a sign of weakness, and an opportunity to further undermine the programme.

ism" (the free market ideology) that all economic bureaucrats across the world now face.

What is unusual about SA, though, is the stirring attempt by a broad cross-section of society to articulate mass-popular (and especially working class) interests — through the RDP and through daily workplace, community and household struggles — which could fundamentally shape the way the crisis plays itself out. Implementation of those aspects of the RDP promoted by the left, in particular, remains not only feasible in financial and logistical terms, but would also place SA on an enviable "growth path".

"For the big mining houses 'liberation' is spelt 'liberalisation'

Such a growth path, it has been argued in the pages of the *AC* more than once, would not only give the masses of people access to goods and services that were earlier denied, but would do so in a manner consistent with socialist principles: basic needs to be met not on the basis of privilege (based on commodity exchange) but as a human right; increasing degrees of worker and community (and women's) control over an increasingly decentralised economy; increasing economic activity within the sphere of co-operative and public ownership; non-racial, non-sexist systems of production, exchange and consumption; environmental sustainability; and so forth.

Such principles resonate within — if not throughout — the RDP. But the forces of reaction are also encouraged by other parts of the RDP, as well as through wilfully misreading or simply ignoring the details. Hence the RDP continues to be claimed by all and sundry as their Liberation Proclamation. For the big mining houses, "liberation" is spelt "liberalisation" (trade and financial decontrol, deregulation, lower taxes and the like). And for social democratic centrists, liberation is a win-win utopia of social contracts based on harmony between the classes.

Whose RDP, whose White Paper?

More recently, an RDP White Paper was produced, which "establishes a policy-making methodology and outlines government implementation strategies within the framework provided by the Base Document" (the original RDP). Here arises a danger: the "framework" may be kept intact, but the RDP's details – especially those where the left made a strong stand – could get lost in the process. The White Paper in no way contradicts the Base Document, but its emphasis is on government implementation as opposed to reaffirming the original RDP's concrete policies and programmes (aside from those in the economic sphere).

What this means, according to reactions ranging from big business to Cosatu to the press, is that the White Paper contains a tasty menu of options for governance, but considered as a whole this menu feeds the appetite of big business for conservative economic policy, adds a bit more meat to centrist bones, and saves only some rather sparing sidedishes for the left. Here, for example, is a *Business Day* editorial (8 September): "Minister Jay Naidoo's technocrats want to foster new, business-like attitudes towards the management of government – and state-backed projects... The central government has realised that a business-like approach is needed at all levels of the RDP if the private sector is to play its willing part."

"Business-like"? Will intended beneficiaries of government programmes therefore be marginalised by "cost recovery" principles, and will exploited public sector workers — especially women — be further oppressed in the zeal for cost-cutting?

Perhaps, but a progressive reading of the White Paper strategy is also possible, namely that smashing many of the most objectionable features of the apartheid state — the National Intelligence Service is a good example — can only be accomplished using the variety of tools now celebrated by *Business Day* and big business. These tools include zero-based budgeting (requiring departments to continually justify their expenditure rather than basing simply on historical spending), a restructured and rationalised civil service (to promote productivity and accountability), new inter-governmental fiscal relations (to force lower tiers of government to function more responsibly), new plarming frameworks and business plans, Presidential Projects (to highlight new priority areas), and the RDP Fund (as a carrot to draw resources and personnel into new areas).

Even that siren-song of Thatcherism, "fiscal discipline" (meaning lower levels of government spending), has a progressive ring to it when one considers its potential for chopping really dumb state subsidies (like Mossgas or the monies going to incompetent white farmers), ending the obscene racial bias in the allocation of state resources, curtailing defence spending, derailing the gravy train, forcing an end to conspicuous consumption such as first floor elevators and English-crafted silver in presidential residences, and the like.

This is the theory, anyway. In practice, whether such tools can be used as wedges to crack open the apartheid state and to then panel-beat politicians and bureaucrats into shape, may depend upon whether "Jay Naidoo's technocrats" can multiply (they're now rather few and far between).

For on the one hand, the left may breathe a sigh of relief that the overall political objective of governance is not to pad the bureaucracy with a new petty-bourgeois class of civil servants, as Zimbabwe did. But on the other hand, the existing bu-

reaucrats will do their best to frustrate our roving bands of wedge-wielding RDP officials. Indeed the bureaucrats will probably catch on as quickly to the lean-mean White Paper rhetoric as did big business to the RDP's basic needs arguments, and will learn how to make the right noises and avoid threats to their survival.

Even if we discount the prospect of internal sabotage by state bureaucrats, the fate of the RDP and of the White Paper may depend upon three fundamental strategic choices made with little or no public input, which — based on the rhetoric and the realities of restructuring over the first hundred or so days — give a certain amount of cause for alarm.

"The bureaucrats will catch on quickly"

One choice was to succumb very early on to the tyranny of "the markets", which demand and receive obedience on crucial matters of economic policy but which appear disdainful of offering anything useful in return. A second choice was to endorse the idea of "incremental housing" — also known as toilets-and-a-small-pile-of-bricks-policy — rather than embrace the RDP's Affordable Housing for All campaign. A third choice was the overemphasis on local government as a vehicle for both political activity and for RDP delivery.

But in this paper I shall focus on the first.

The tyranny of the markets

"The markets", as they are impersonally known, are the real cause of unrealistic expectations. Claims as to their infallibility are now being found wanting across the globe. Bill Clinton discovered their irrational power in February 1993 — a month into his presidency — when he tried to implement his public works, infrastructure, reindustrialisation and social programme campaign promises. At a stormy White House meeting, Clinton was refused permission to go ahead by the crew of financiers he had recruited to his finance ministry from the investment banks, who in turn blamed their ex-colleagues in New York for not giving support to the new order. Clinton's response: "I can't believe my whole programme is being sabotaged by a bunch of fucking New York bond traders."

Those same bond traders were the subject of the following recent report in *The Wall Street Journal* (30.9.94):

"A flurry of statistical releases showed the US economy continuing to perform strongly. The most painful (sic) news for the markets: new-home sales surged a stronger-than-expected 9,7% in August. In addition, second-quarter gross domestic

product was revised upward from 3,9% to 4,1% and initial jobless claims fell 11,000. Bond traders shuddered at the economic reports, sending the benchmark 30-year US Treasury bond's yield as high as 7,87% at one point."

Translation: "We in the bond market are worried that there is too much growth, which strengthens the power of labour and productive capital relative to financiers, and also threatens a revival of inflation. Therefore, whenever we see evidence of robust economic activity, we raise interest rates to try to snuff it in the bud."

The "fucking bond traders" have been just as hostile to the new South African government, leading even seasoned, conservative bureaucrats like State Expenditure director-general Hannes Smit to complain publicly about the lack of tolerance. It doesn't seem to help that the Governrnent of National Unity is bending over backwards to send the "right" signals to "the markets" – a motley crowd of "Business SA" lobbyists, financiers and financial economists, Anglo American excutives, *Business Day* editorialists, stock market chancers and low-grade public relations specialists who decide whether ANC leaders have finally embraced neo-liberalism.

What are the signals? An independent Reserve Bank is encouraged to continue setting ridiculously high interest rates; fiscal discipline becomes more extreme; the already export-biased trade policy veers to the right of the General Agreement on Tariffs and Trade; and industrial policy becomes geared to "picking the winners" and to deindustrialising those sectors — like textiles and autos — which cannot stand the heat of international trade.

Those signals are the basis for complaints that the White Paper (and the Green Paper before it) contains Thatcherite elements, yet this is only half the problem. What is really being constructed here is a so-called Catch-22, which works — or rather doesn't work — as follows.

The more the Government of National Unity succumbs to "the markets'" demands in hope of spurring investment and job-creation, the more "the markets" feel confident about their real agenda, which remains oriented to capital flight and financial speculation (as opposed to investment and production). Indeed "the markets" are today so confident, so smug, that they are unwilling even to contemplate the idea of a grand social contract sometimes mooted by centrists in government, labour and oppressed communities.

The more "the markets" run roughshod over the new politicians and bureaucrats, the more government kowtows to their most fanciful demands: Convert the finrand into commercial rands so I can get my money out of here! Deregulate the petrol markets! Liberalise trade, and drop the tariffs so I can import my machinery or textiles or steel for less than I'm paying for the locally-made stuff! Privatise state assets! Limit housing policy to a subsidy for a toi-

let and a small pile of bricks!

The more the government kowtows to these demands, the less real investment occurs, the less money is kept within the country, and the fewer jobs are generated. The more dangerous this situation becomes, the more "the markets" scream for more concessions. The more the capitalists scream, the more government seems willing to give... It goes on and on in a classic Catch 22.

The tyranny of capital is evident in the recent economic indicators. Reflective of continuing crisis is the balance of payments — how much SA spends abroad on goods, interest payments and other expenses in relation to how much it earns from trade and investment — which has gone from bad to perilous, thanks largely to an increase in luxury goods imports. Even the trade surplus SA enjoyed through the harsh late 1980s to early 1990s siege years has vanished.

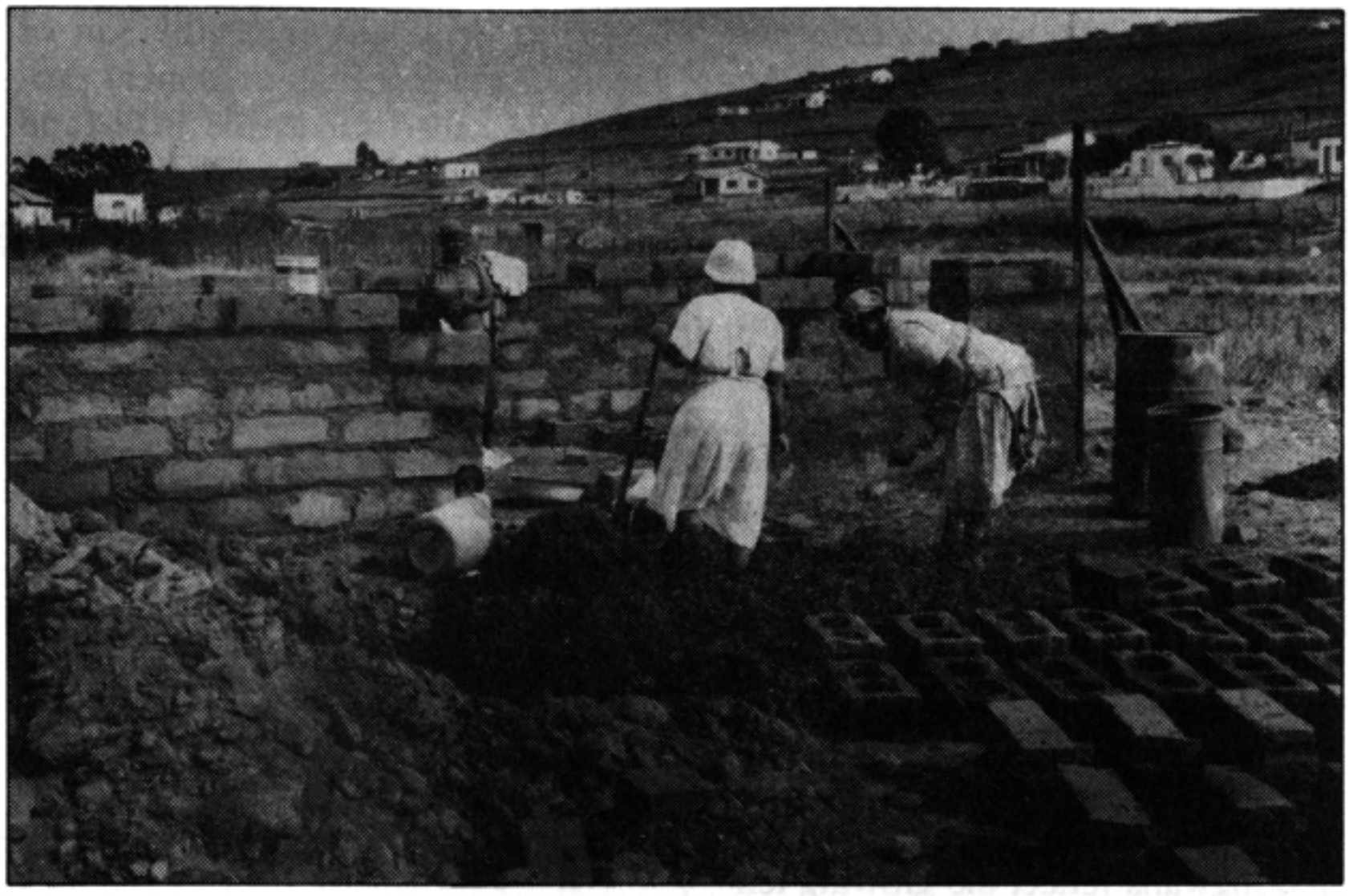
As for foreign investment — so anxiously awaited by ready mandarins, rolling out the red carpets for multinational corporations — there appears to be practically none, not even the parasitical financial investments which flooded the stock market in January 1994 and then gradually ebbed out again. Interestingly, foreign financiers moan about SA's monopoly capitalist structure just as much as the South African left. It prevents foreigners getting access to stock market shares and market opportunities.

And capital flight — a telling indicator of local business confidence — has not been reduced sufficiently for SA to accumulate sufficient foreign reserves so as to dismantle exchange controls. Getting rid of the finrand remains big capital's most steadfast demand. Reserve Bank Govemor Chris Stals is philosophically committed to the task, but apparently wants to surprise the markets and so is publicly cautious on when exchange controls can go.

Inflation also appears to be heading back into double digits, but not — as bourgeois economists would have you think — because of rising demands by workers for the fruits of liberation (in the form of either wages or higher consumption levels). Instead, inflation still has too many "cost-push" (not "demand-pull") factors associated with monopoly market power and non-wage costs. Corporate salary and benefit packages, for instance, remain ridiculously high in relation to the wage bill.

It's not all bad news, of course. The all-important fixed capital investment (plant, equipment and machinery) indicator is up, yes. But after more than four years (early 1989—late 1993) of the country's longest-ever depression, this is only to be expected; after all, net fixed investment fell into the negative range as machines wore out faster than they were being maintained, much less replaced with new and better equipment.

And the surge in imported capital goods — which in good times indicates that local capitalists are buying state-of-the-art machines from abroad — may be illusory, since the bulk of it was in the form of transport equip-



CDC Photo Unit

Which way – international competitiveness or meeting basic needs?

ment, which in turn was spurred artificially by the Numsa strike

The point here is that none of these indicators suggest that SA is on any kind of growth path. A group of bourgeois economists warned in the *Financial Mail* recently that the present recovery may well peter out by the middle of next year.

And that compels us to return to the problem of longer-term capitalist crisis. After all, since the mid 1970s, the rate of economic growth per person has been less than zero, and will continue to be negative in per capita terms through the end of this year. Although 1995 and 1996 might witness growth in excess of the 3% rise in population (which we would naturally expect following such a severe downturn), to hope that this will continue during the ravages of GATT — as the White Paper does — is naive.

I believe that the basic problem underlying this crisis is what can be termed the "overaccumulation" of capital. This is Marx's explanation for the overproduction of certain goods — especially, in SA, luxury commodities traditionally consumed by whites — in relation to the ability of people to pay. Overaccumulation tendencies are always present under capitalism, and they periodically bubble up to the surface (from the early 1970s), giving rise to other symptoms of crisis: unused plant and equipment; huge gluts of unsold commodities; an unusually large number of unemployed workers; and the rise of speculative financial markets, particularly in shares and real estate.

The left in SA, and indeed across the world, has responded to overaccumulation with two different strategies, which although contradictory have sometimes merged into a single programme (as in the RDP or the Brazilian Workers' Party recent campaign programme). One faction — associated here with COSATU's Industrial Strategy Project — calls for increased competitiveness so that SA's glut of luxury manufactured goods can be sold to the world market. (This, in my view, is quite naive, and the recent conflicts between Minister of Trade and Industry, Trevor Manuel, and trade union leaders like Ebrahim Patel and Enoch Godongwana reflect the growing tensions over competitiveness.)

The other faction stresses that massive economic distortions, particularly in poor and working people's access to basic needs, goods and services (housing and services, health care and education, land, transport, clothing, basic appliances, and so forth), should be addressed through internally-oriented economic policies which, on occasion, will have to rudely snub the imperatives of international capitalism.

In this spirit, if the RDP aims to achieve integrated development, that would require linking production and consumption, work-place and community, as has never happened before. It would imply that certain consumer goods never produced in SA — such as environmentally friendly mass transit, people's cars and bicycles — would be considered lead candidates for state support. It would entail the sort of massive state public investment programme called for in the RDP (and envisaged even by the World Bank), but which in practice is being held hostage by "fiscal discipline" (ironically, a World Bank report last November permitted the government debt to GDP ratio to rise from the present 6,8% to 12% in the near-term, while in contrast "the markets" on Diagonal Street are demanding a reduction to 6,5%!). But it would not be a statist RDP, for it would also encourage local communities to become involved in production of construction materials for local building campaigns.

It would ensure that, as the RDP itself states, government will "provide some subsidies as a catalyst for job creation programmes controlled by communities and/or workers, and target appropriate job creation and development programmes in the most neglected and impoverished areas of our country." This is the RDP at its finest, calling for creative alternatives to conventional economic wisdom, alternatives that unleash local energy and focus on use-values, not merely the exchange-values so precious to neo-liberalism.

Above all, in my opinion, to contest the tyrrany of the markets would entail the wholesale adoption of RDP basic needs programmes such as Affordable Housing for All. But, holding the Government of National Unity to such campaign promises will apparently take a good deal of popular protest, if housing is any indication. ★

Defending and deepening a clear left strategic perspective on the RDP

This is an extensive extract from a Discussion Document submitted by the SACP for wider South African discussion in the run-up to the *Socialist Conference for Reconstruction and Development* to be held on November 5 and 6.

1. In many ways the present South African conjuncture is marked by a shifting of the front-lines of the struggle from the political to the socio-economic (obviously this shift must not be absolutised). The critical challenge before us is to contest the direction and character of socio-economic transformation in the coming months, years and decades.

1.1 The present moment is characterised by a fall-back operation by big capital and its political representatives. Having failed to marginalise the Reconstruction and Development Programme (RDP), they are now seeking to undermine it more subtly. In particular, there is much hypocritical lip-service paid to the RDP. Such lip-service is intended to demobilise us in the face of the real need to lead a class struggle defence of the RDP. In two or three years time they will then place all the blame for its failure on the ANC-led government. "After all", they will say, "we did our best to support it, it was not our opposition but its inherent unworkability."

1.2 As part of this broad strategic tendency (it is not necessarily coherently planned by our opponents) we see:

- the unilateral appointment by many companies of "RDP" managers, usually black. These kinds of appointments have more to do with window-dressing and public relations than with a sincere contribution to the RDP. These appointments will be used for PR purposes to tender for lucrative government con-

tracts. The appointments are also already being used to motivate arguments against wage claims ("don't demand excessively, because we intend investing surplus into the RDP");

• sowing demoralisation in our ranks about the actual implementation of RDP programmes — a good example was the recent Star front-page claiming that hospital services were about to collapse "as a result of the RDP", following the introduction of free health care to under 6-year olds and pregnant mothers. No attempt was made to reflect the astounding fact that, despite the **inherited** difficulties, real delivery was actually happening.

• undermining the coherence of the RDP, by picking cherries off the top of the programme (the Stocks and Stocks housing proposal); and by striking separate deals with the different provinces, etc.

1.3 In a sense all of these endeavours amount to a central strategic tendency: genuflecting to the letters "RDP", while installing a wholly different content within it.

1.4 That these are the views of big business and its political representatives should not surprise us. The more serious danger lies in the tendency of many in our ranks to accept this logic either naively, or in the interests of "not rocking the boat". We can instance a number of examples of this:

• The tendency to treat **uncritically** the Finance portfolio as the property of big business representatives.

• The failure to bring the Reserve Bank, and therefore monetary policy, under tighter control by a democratically elected government (a practice common even in many advanced capitalist countries).

• The over-emphasis, in the last months, on foreign loans, as the principal way of getting the RDP moving.

• The tendency to go for quick-fix and utterly unsustainable schemes (casinos and lotteries to finance the RDP),

• Or to accept uncritically business-driven schemes that appear attractive but which are likely to indefinitely hamper our ability to meet social needs in a sustainable and nationally equitable manner.

1.5 In many ways, the various negative tendencies noted above are all avoidance mechanisms, would-be "win-win" formulae trying to please everyone, postponing the inevitable crunch of either abandoning the heart of the RDP "for lack of resources", or proceeding with an effective struggle for the redistribution of resources within our country, and the reconstruction of the economy. Redistribution and reconstruction necessarily imply struggle, and it is struggle that is being wished-away.

To counter these tendencies it is necessary that we:

2 Build Left and Working Class forces as the mainstream of the transformation process

2.1 In the first place, Left and Working Class forces must resist the temptation of self-marginalisation. In practical terms this means, amongst

other things, that we must constantly struggle to hegemonise the RDP process. We must not act on the new social and economic front as the PAC, for instance, did throughout the negotiation process – like a reluctant and belated partner in constructing and defending a national consensus for democratic change. On the contrary, the Left should and must be the most consistent, the most effective force in the struggle for democracy, reconstruction and development.

2.2 Just as the all-round political crisis of the former regime opened up space for us to provide political leadership into the negotiated transition, so the all-round economic and social crisis of apartheid-capitalism provides us with prospects of leading the process of reconstruction and development.

To do this:

2.3 Our ideological/strategic input is critical. There are many similarities between the kinds of strategic input required from the Left at the present moment, and those that we were required to make in the course of the political negotiations process. The fact that we have to repeat ourselves in new circumstances confirms :

- partly, the embedded class realities of our society, which constantly reproduce negative tendencies within the ranks of the movement;
- partly the fact that we only partially succeeded in getting our views across in the negotiations period;
- and partly, that our perspectives have to adapt to the new post-April realities.

2.4 What is similar in the post-April period are the kinds of illusions present in our ranks. They are, broadly, of two kind:

- Illusions about the degree and nature of the consensus ("Don't rock the boat"); and, on the other hand
- Tendencies to demagogic rejectionism of any involvement in the process.

Both illusions are present in new forms once more. But it is the first that is the most dominant in the present phase. There is a reluctance within our broad movement (and at many different levels and in many different structures) to accept that the democratic and apparent RDP consensus can only be defended, consolidated and advanced through struggle — not least, through class struggle. Such struggle, we must underline, is not just mass action. Nor is such struggle the sole prerogative of extra-parliamentary, or trade union, or community-based formations. The struggle in cabinet for a people-driven RDP, or the struggle in parliament against cabinet elitism and secrecy, for instance, are as much part of the class struggle as industrial action by a trade union.

3. A core programme of struggle for the left

3.1 Challenging neo-liberal macro-economic assumptions

3.1.1 Part of the fall-back operation of our strategic opponents is to subsume the RDP under neo-liberal macro-economic assumptions.

Reserve Bank governor, Stals talks of "marrying" the RDP and the NP's old Normative Economic Model. He definitely has a patriarchal marriage in mind, and the old NP Model is clearly intended to be the husband. Chris Liebenberg, the new Finance Minister, repeats the point in different words: "I certainly believe in the successful completion of the RDP, provided we have fiscal and monetary discipline, which I believe in very strongly."

3.1.2 In the first place we need to reverse the logic of the assumption made here by Liebenberg — that is, we should assert that: "We accept the need for certain macro-economic concerns provided and insofar as these enable us to implement and sustain reconstruction and development." The measure of our economic success must be the degree to which we are able to meet social needs (job creation, housing, healthcare, education, empowerment of women, etc.) and not the achieving a certain inflation rate, or the cutting of government spending, or a merely quantitative growth figure for their own sakes. Our concern for these macro-economic issues must be instrumental, it must be subordinated to our concern to meet social needs.

3.1.3 But we must not allow macro-economic debate to be monopolised by the neo-liberals. While Stals and others have an extraordinarily rigid and strict view of inflation and government **spending**, they are altogether more lax about government **borrowing**. The RDP may well be sustainable with present (or even slightly higher) levels of government spending. But excessive government borrowing on the international markets will increasingly carry conditions with it which will eat out the heart of the RDP — cuts in government spending, currency devaluation, liberalisation of the economy, whole-sale privatisation. It is precisely these measures which are, in any case, the preferred economic options of our strategic opponents. Having failed to implement them directly, they are happy to see our levels of dependency on international funds grow. They know that sooner or later this dependency will be used by the major international financial institutionns to impose a neo-liberal structural adjustment programme upon us.

The struggle against an unquestioning swallowing of neo-liberal macro-economic assumptions is directly linked to the need to:

3.2 Challenge defeatist and fatalistic assumptions about our re-integration into the international community, with a robust internationalism

3.2.1 International fatalism (it happens to suit his own domestic interests) is neatly captured in Chris Liebenberg's view: "You've got to comply with international standards if you want to be a player not only on the political scene, but financially. **And those rules are written for you.** That we have to deal intelligently with international economic realities is incontestable. But that we have to become mere puppets acting out someone else's rules is absolute-

ly unacceptable.

3.2.2 But again, there is very little effective counterweight to this kind of attitude. Foreign policy in the present GNU is ill-defined, it often seems to be ad hoc and ultra-pragmatic.

3.2.3 The South African Left needs to champion a much more active, proactive and strategic international outlook and practice. We have, for the moment, enormous international assets, essentially political and moral assets. These assets must not be squandered on ill-judged money begging missions to dubious regimes.

3.2.4 Instead the Left must spearhead a foreign policy that is premised on:

- a collective and solidarity-based approach in Africa and in the South in the struggle for a more just world order. We need to deepen our links with many other forces (governmental and non-governmental) in the South (and North) struggling for the same ideals. We need to use our moral authority to strengthen this struggle, and to challenge, and to reform the neo-liberal global policies of the IMF, World Bank and GATT;
- an understanding that the fate of the RDP within our country is deeply intertwined with the general reconstruction and development of our Southern African region.

3.2.5 In taking up these issues, we as a Left need also to transform the character of foreign policy-making in South Africa. Unlike many other sectors (housing, education, labour relations), the impact of progressive civil society formations on foreign policy has been, and remains minimal.

Directly related to this is:

3.3 The struggle for effective national self-determination

This has, of course, always been a cornerstone of the national liberation struggle. It is more relevant for a South African Left programme than ever before. There are two interrelated dimensions to this struggle for national self-determination:

3.3.1 Transnational institutions and elected national structures. At the very moment when our liberation movement has begun to enjoy a significant share of governmental power, the predominant neo-liberal global economic order is weakening the sovereignty and capacity of national governments — through privatisations, enforced cuts on social spending, tax reductions, and the opening up of local markets to the unfettered intervention of the multinationals. Third world governments are, of course, the most obvious victims of this disempowerment. The IMF, World Bank and GATT agreements all enforce major trade liberalisation on the poorest countries, while the US economy for instance, remains one of the most protectionist. But even the sovereignty of First World democratically elected governments is increasingly undermined. Of course, as a Left, we should not run away from the need for international agreements and international formations. The ones with the power tend, however, to be unelected and unrepresentative.

3.3.2 Balkanisation. But the struggle

to empower elected national government has a second dimension. It is not accidental that Desmond Krogh, former DBSA Board Member, recently exposed for trying to sabotage the RDP, should have identified the provinces as an Achilles heel. "Go out aggressively to build up good relations with the provincial government...Give the provincial governments whatever they need in terms of loans, information or even seconding staff to them. After two years, you will certainly have the provincial governments on your side...", he is reported to have said.

- The strategy of the multinationals, and of the big corporations nationally, is to undermine the economic sovereignty of national government (and of progressive national formations like trade unions). It is a strategy transparently highlighted, for instance, in a recent Business Day editorial: "...centralised bargaining has to be combined with flexibility. NUMSA, only this week, displayed total inflexibility to the idea of geographical wage differentiation in the engineering sector, even though economic conditions warrant it."
- The multinationals and the big national corporations constantly preach to us about the merits of federalism. They themselves, however, are certainly not federal structures. They operate out of powerful national and multi-national headquarters. The agenda is, as always, to divide-and-rule us. Flexibility might be desirable, but erected into a principle in its own right, it has a habit of favouring capital. Capital, after all, is a highly fluid reality. Labour is much more locked into geographic space.
- However, a struggle to empower national sovereignty should not be opposed to the genuine devolution of powers, to the empowerment of elected structures (not to mention popular and working class formations) at all levels. Provincial government and local government, are essential to buttressing and complementing the national RDP mandate, as well as, to checking and balancing national government.

The tendency within our own ranks to exaggerate our dependency on the international community and on foreign loans is, as we have said, part of the broader tendency to avoid grasping the nettle of internal redistribution and restructuring, which lie at the heart of the RDP.

3.4 The redistribution of wealth and resources in our country as a core component of the RDP

In the past months, apart from the recent wave of workers' strikes, one of the few voices to take up the call for redistribution has been Anglo American Corporation chairman, Julian Ogilvie Thompson! Logically, from his own class position, Ogilvie Thompson's idea of redistribution is that we "should finance the RDP by privatising government assets"!! Our struggle for redistribution must include, amongst other things:

- a reformed taxation system;
- much greater social spending versus, for instance, spending on military and intelligence budgets;
- land reform;

• increasing trade union bargaining power.

and, insofar as existing state assets need to be considered

• control and ownership over them needs, if anything, to be democratised and socialised, not privatised.

To carry through redistribution two key areas of struggle need to be waged:

3.4.1 Rolling back the market

• The decommodification of basic needs

Health-care, education, housing, the environment are not primarily commodities. As a Left we must struggle against the overbearing supremacy of the market which seeks to turn everything into a commodity, and all of us into atomised consumers. We must struggle for the decommodification of increasing dimensions of our society. A beginning in these directions has been made with, for instance, free medical treatment for children under six and pregnant mothers. The struggle to deepen and consolidate these measures on many fronts must be sharpened.

• Deepening collective popular power in the face of attempts to transform us into atomised consumers on the market

The other side of the same market-driven logic is the tendency to transform workers, patients, students, residents, communities into atomised individual sellers/consumers. In building and rebuilding shop-floor, civic and other mass- and community-based organisations among working class and popular forces we are fighting the logic of the market,

and we are also:

3.4.2 Transforming the market

We are not talking (under 3.4.1) about the abolition of the market, but rather the rolling back of its empire. Insofar as the market continues to be a major economic factor, we must also engage with it. The existing market is dominated by the power of capital. There is no such thing as a "free market", nor is the market some natural force like the weather. All its fickle moods, its supposed "nervousness" or "confidence", which we are supposedly meant to feed and placate, reflect precisely the racial, gender and class prejudices of those who dominate the market. We need, as a South African Left, to push back the frontiers of the market (as noted above), but we also need to intervene with collective power on the market, to challenge and tranform the power relations at play within it.

Struggles to transform market power relations include:

• developing an active labour market — strengthening the power of trade unions, skills training and adult basic education, etc. etc. — all measures which change, to some extent, the terms on which workers confront capital on the labour market.

• ensuring that, as much as possible, state housing subsidies do not simply enrich the building societies and private housing developers. For instance, the new Housing Department

has a deliberate policy, in awarding the standard R12,500 subsidies, of favouring housing cooperatives and other collective arrangements. The power on the market of a co-op with 1000 families (and, therefore, 1000 x R12,500 in capital) is considerably greater than atomised families facing up to powerful building societies, housing developers, etc.

- these kinds of arrangements, and others, can be the base for the development of Community Banks, controlled by democratically elected community structures.
- the mobilisation, as proposed by COSATU, of workers UIF and Pension funds, and the democratisation of the relevant financial institutions, so that the funds can be deployed more effectively in RDP appropriate ways.
- campaigning for the reintroduction of more effective Rent Boards, that have real teeth, and that strengthen the power of rent paying residents in the accomodation market.
- struggles against Red-Lining by the building societies; etc. etc.

However, as a Left, we must avoid the danger of confining ourselves to the area of redistribution (whether through market or non-market means). If we were to do this we would once more play into the hands of our strategic opponents, who hope to preserve their monopoly over production.

3.5 The restructuring of production as the second core component of the RDP

The RDP sees the South African economic crisis not merely as one based on a radical failure to distribute wealth and opportunities equitably. It underlines that the crisis is also based on a major structural crisis of the productive system. The economic growth path envisaged by the RDP is not only demand-led (i.e. based on broadening the market), but it is also fundamentally about reorienting investments into productive (as opposed to speculative) activity, and about transforming productive activity, laying greater emphasis on:

- democratisation and deracialisation of management practices;
- an ever broadening area of co-determination, that transforms the existing hierarchical, top-down prerogatives of management;
- a labour intensive rather than capital intensive emphasis;
- higher levels of productivity through much greater emphasis on human resource development and life-long possibilities for education and retraining. This requires broadening the conventional notion of productivity so that job satisfaction and empowerment, the redefinition of skills, and the impact of housing and transport on productivity questions are all factored in. The low level of management productivity in SA also needs to be highlighted and transformed;
- overcoming massive regional disparities in infrastructure and industrialisation;
- transforming the present, highly monopolised character of our economy, with its predatory pricing and interlocking directorships;

• addressing the present marginalisation and disempowerment of women workers.

4. In conclusion

4.1 To speak of redistribution and restructuring as the heart of the RDP is to speak of struggle. Redistribution and restructuring necessarily tread on toes. The struggle, clearly, continues. To a considerable extent, the frontline of the struggle has shifted towards the socio-economic front. Of course, prolonged struggles to democratise state institutions still lie ahead — indeed these struggles are directly linked to the struggles for socio-economic transformation. In mobilising and organising for socio-economic transformation the Left in South Africa has two primary tasks:

• the task of carrying through consistently and continuously a class critique of the neo-liberal agenda; and
• moving beyond a critique, to posing concrete, viable and sustainable programmes to address the needs of the majority.

4.2 As a Left in South Africa we need to place ourselves at the very centre of the struggle for democracy, reconstruction and development. We need to be the most consistent force for thorough-going democracy, which we should understand to be the transformation of all power — whether political, economic, or gender-based. Democracy is the continuous and deepening self-empowerment of the great majority of our country. ★

Letter from afar

A response to "The present political situation", in *AC* 2nd quarter 1994

by "Mayibuye"

I suppose the Editorial Board of *Mayibuye* will have felt quite flattered and perhaps even bemused that the Central Committee of the SACP met to discuss the *Mayibuye* editorial in the May/June issue. However, this would be before they read the rest of the document contained in your 2nd quarter edition, which attempted a conjunctural analysis of the situation a month or so after the elections. The analysis is well done and raises issues that are central to the current phase.

However, one could easily take selective quotes from the document, conjure up negative "gear changes" and attempts at "covering flanks". For instance: "If we wanted to, we could turn SA into a Bosnia or a Rwanda" (who would this "we" be, is it the masses, the leadership or the author?); then: "If we spend all our time trying to woo ex-SAP generals and top civil servants in the name of stability, we will fail to address the real reason for instability..." , and then: "You cannot build houses, let alone trade unions or civics in a Bosnia."

But it would be the height of shallow mindedness to see in these statements negative "gear changes". Real life is made up of contradictory trends. It's in the struggle between such opposites that development takes place. An accurate analysis should identify such trends, without being eclectic, assess the balance among them and how each feeds a particular objective. A treatise, even a brief editorial, that lacks gear changes would be drab and undialectical.

This brings me to the critique in the CC document of the *Mayibuye* editorial. The *Mayibuye* issue was distributed a week or so after the inauguration. Its reference to the "outpouring of emotions" was the most accurate reflection of the national mood at that moment.

But what needs emphasis is that black people did not have to read theoretical works to feel "free at last". Particularly when their organisation, the ANC, took office as the strongest political organisation, and when their hero Nelson Mandela became the country's president.

Many, including the leadership of the ANC and SACP, shed tears and poured out into the streets both when the electoral victory was announced and when the president was inaugurated. This is not because such leaders lacked cold strategic

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calculation; but because to them oppression and struggle had been real life experiences; and they knew that it was the first time in more than three centuries that black people and the South African nation as a whole could start to determine their collective affairs.

The CC document makes the correct assertion that: "Many struggles, from within and without government, lie ahead of us . . . We need to use our position in government to strengthen our mass forces, and vice versa." It also emphasises a crucial question with regard to mass organisations: "What is more, in getting back to basics, these sectoral formations cannot simply return, mechanically, to the 1980s. They will have to adjust (of course not completely) from a more oppositional into a more developmental mode — without losing their combativeness."

It is remarkable how the author covers his/her flank by means of two parentheses in one sentence, a crime the *Mayibuye* editorial is accused of! It is remarkable too, that the "back-to-basics" slogan used by the British Conservative Party is adopted without a blink.

But this is besides the point.

The assertions quoted above do underline an acknowledgement of the historic moment, the qualitative change in the political terrain and balance of forces. The whole document does show an appreciation of this and how to utilise it. Yet there is an inhibition, a fear to assert the historical significance of this moment.

This is the crux of the debate — not so much between the *Mayibuye* editorial board and the author of the CC document; but one within the left, which is yet to be resolved — if at all. (It would be wrong to assume that the whole of the CC agreed with the subtle implications arising from the document, particularly the critique of the *Mayibuye* editorial).

The question is: What constitutes a revolution? More concretely, were the Russian and other socialists correct in characterising the 1917 uprising and capture of power as the

Great **October** Revolution? The same could be said about other revolutions before and after 1917. Can a day or even ten days be characterised as the moment when a revolution took place?

This has more or less been the approach of classical Marxism over the years. However, lately, there have been creative propositions that tend to underplay the significance of a brief moment in changing power relations. At times, proponents of these views have tended to show a disdain for state/political power. to them, there are simply a series of reformist changes, characterised by the weakening of the state (any state) and the ascendancy of organs of civil society. Thus there was no Great **October** Socialist Revolution: perhaps only in the 1930s when social relations had changed.

There is nothing inherently wrong with such creative thinking. It helps to enrich Marxism and ensure that theory is not a set of rigid rules. Besides, some would argue that this might simply be a matter of interpretation. In any case, a revolution is never fully accomplished until new social relations that it pursues are put in place. However, it is better that this issue should be debated as such.

This is because the *Mayibuye* editorial proceeds from the premise that, while revolution in the broad sense is a protracted process — even in cases of successful insurrection — there is a qualitative moment of rupture, when decisive change takes place. This, as stated above, has been characterised as the moment of revolution in classical Marxism: the visible moment of transfer of **political power** from one class or group of classes to another.

Has this taken place in South Africa?

To start with, democratic power should consist of a number of elements:

- a constitution setting out broad democratic norms and corresponding elected structures;
- a democratic political organisation in office;
- a restructured, loyal civil service, including security forces as well as the judiciary;
- powerful extra-parliamentary democratic organisations able to influence government decisions and operations; and
- socio-economic relations that are democratic in essence.

It is the attainment of the totality of these factors that can lead one to the conclusion that power is truly in the hands of the people, that revolution has been accomplished. The first three factors are, however, central in defining **political power**.

It will take years before even these first three elements are accomplished. That is why it is accurate to say that the democratic movement has won **elements of political power**. But, the fact of the introduction of the interim constitution, now enabling the introduction of all kinds of democratic laws and the beginnings of RDP implementation; the holding of the democratic elections as well as the assumption by the

ANC of the central place in government — these factors together constitute that decisive moment in South Africa's history of struggle; the most decisive since 1652!

This is the moment of revolution, in the narrow sense. That is as distinct from the protracted process of consolidating these elements of power, broadening the hold onto power and introducing fundamental socio-economic changes. This is the reason why the author of the CC document is able, though begrudgingly, to say that the democratic movement needs to use its new position in government to change things further, and that civil society should adjust from a mere oppositional role.

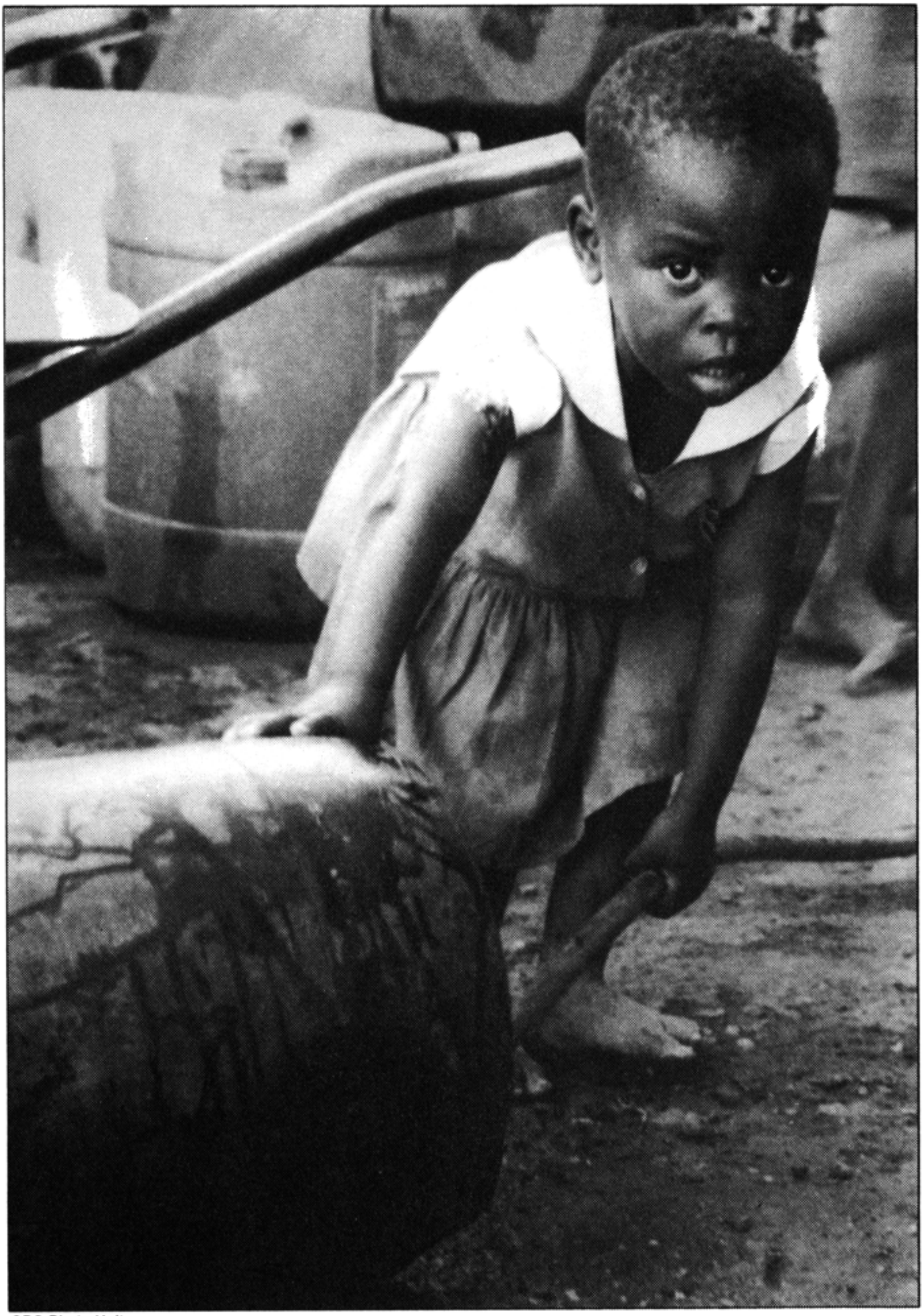
Of course, this debate would require more time and space. It should be thrown open so as to help enrich Marxism and general discourse within the Left, rather than being masked in hair-splitting invective against a *Mayibuye* editorial.

In conclusion, two issues raised by the author regarding the *Mayibuye* editorial need to be rectified:

• If the author searched hard enough in Marx's Capital and other works, she or he would be able to find a sentiment similar to that of Tocqueville ("a writer on the French Revolution"): "Patiently endured so long as it seemed beyond redress, a grievance comes to appear intolerable once the possibility of removing it crosses men's minds". But it might be better to look out of the window at the blockading truckers, homeless people taking over land, students holding hostages, and so on, to realise the accuracy of this assertion. If the author's neo-liberal enemies use the same quote to pretend that these grievances are a result of election promises, this should amuse rather than anger the author.

• One hopes that the author by now realises that reference in the *Mayibuye* editorial to a victory that defends and advances itself is, in fact, a paraphrasing of what Lenin, Castro and many other revolutionary leaders have said: That a revolution is not worth itself unless it can defend itself. By saying this, Lenin and Castro were not forgetting the masses. Rather they knew that the masses are the revolutionaries!

The *Mayibuye* editorial is perfectly correct to say that the ANC should continue to have confidence in the people (for the ANC, together with them, to introduce the many socio-economic changes required); and that it should account to them (for them to help determine the content, pace and forms of change). This, certainly, is what the CC document means by a people-centred and people-driven process! ★



CDC Photo Unit

Local government: *making sense of the confusion*

In an attempt to get some clarity on the whole question of local government *The African Communist* spoke with comrade Shoots Naidoo. Shoots is the SACP Southern Natal administrator, and active in local government affairs.

AC: Comrade Shoots, there are many confusions and uncertainties surrounding the whole area of local government and local government elections. What really is going on?

SN: The confusions are partly due to the fact that from within the broad liberation movement we have devoted most of our attention to the national and, to some extent, provincial level of government. But there is now a growing awareness that the local level is absolutely critical. It is the level that is most directly in contact with our communities. And it is the level that is responsible for the immediate delivery of many of our Reconstruction and Development goals.

AC: So what is going on at the local government level?

SN: In the first place, local government transition is happening in terms of the Local Government Transitional Act, which was negotiated at the World Trade Centre as part of the broader Multi-Party Negotiations. Basically this Act outlines a three phase transition process:

1. The pre-interim phase, this is the current phase in which Transitional Local Councils (TLCs) and Transitional Metro Councils (TMCs) are set up. These structures will last until the first non-racial elections for local government. There is a cut-off date of October 1995 for these elections;
2. The interim phase — this is the phase in which there are elected local authorities, but these authorities will have inbuilt minority guarantees; and, finally
3. The third phase in which there will be fully democratic local government structures.

The first problem with this Local Government Transitional Act is that

phase one was meant to be implemented **before** the national and provincial elections in April this year. For this reason, it is now locking us into a set of arrangements that reflect pre-election realities. In particular, phase one calls for a 50/50 arrangement in the formation of TLCs and TMCs. Half of these nominated transitional structures come from the existing apartheid era local authorities (the "statutory" side) and the other half from previously excluded political and community formations (the "non-statutory").

"The Act says nothing about rural local government

AC: What are the tasks of these phase one TLCs and TMCs?

SN: Their tasks are very important, and they include:

- preparing for the eventual elections. This is a complicated task, it includes the demarcation of wards (that will ensure certain guarantees for minorities), and the preparation of voters' rolls;
- the ongoing delivery of services on the ground in this pre-interim phase;
- the transformation of local administration;
- preparing the budgets for next year.

None of these tasks is easy. The delineation of boundaries is obviously one of the most complex. The previous authorities have a tendency to want to preserve old boundaries as much as possible. The constitutional requirement that, in phase two, "minority" interests are given some guarantees means that in the demarcation of wards old racial settlement patterns will have to be given some recognition.

The ongoing delivery of services by these nominated structures is another problem area. Being unelected they do not enjoy wide legitimacy, and many communities see no reason why they should pay for services, if and when these are provided. In regard to the transformation of administrative structures, as can be expected, many of the statutory authorities are doing their best to keep things intact, while confining "transformation" to a change of a few heads at the top.

AC: What's going on in rural areas?

SN: The question of local government in many rural areas is even more complex. The Act says nothing about rural local government, and the Interim Constitution speaks vaguely of "rural local councils". One obvious problem is that in many former bantustan areas there are no formal "statutory" structures. In KwaZulu-Natal the IFP is claiming that there is no need for transitional structures, the chiefs, they say, are the local government.

AC: Can you explain the so-called "Stand-Alone" and the "Co-ordinating Committee" options?

SN: Well, in terms of the Act there are basically three options for transitional local government structures — what I have referred to as TLCs and TMCs, and then the Co-ordinating Committees. The "Stand-Alone" option is really a variation of the first two. An example is Port Elizabeth. Here, although a Transitional Metro Council was one possibility, the local structures, that is, the old PE City Council and township structures got together and formed a single Transitional Local Council. In the case of Pretoria, the Wits Chamber in Johannesburg, Cape Town and Durban, the TMC option has been followed. TMC structures bring together more than one economic centre (for instance Durban and Pinetown) into one Metro Council, and then below it there are substructures. This means that there are basically two levels of local government.

The Co-ordinating Committee option is a compromise that has been struck largely because of Conservative Party controlled towns in the Transvaal. In this case the existing councils remain intact (both the white and black ones), and then, above these, there is a Co-ordinating Committee with some statutory and some non-statutory representation. But these Co-ordinating Committees have few powers, they have very, very limited budgetary powers for instance. This is a very weak option, to be avoided where possible.

AC: Who will be conducting the elections? Will we have some kind of Independent Electoral Commission again?

SN: No. The constitution gives provincial governments power to conduct these local elections. Fortunately we have already obtained the agreement of all the Provincial executives that they will observe one basic set of regulations. Voter registration will be uniform nationally, and there will be one national data base. Many of the actual hands-on arrangements have been left to TLCs and TMCs. They, for instance, will have to appoint local election presiding officers, and so forth.

AC: There is much confusion among mineworkers as to whether they will be able to vote. There are rumours that it is only those who either own property, or who pay for municipal services that will be able to vote. On the mines, management pays for water and electricity in bulk.

SN: Miners will definitely be allowed to vote. The draft legislation is quite clear, it not on the basis of ownership, but on the basis of **occupation** of property that people will be eligible to vote. In the case of migrant workers, the key question will be where they register and where they will be on the day of voting. You cannot register in two different places, and you will have to be present on the day of voting in the municipality in which you are registered.

AC: What are the immediate challenges facing the SACP in regard to local government?

SN: I think that there are a number of urgent issues that the SACP must address. In the first place, there is the whole question of voter education. As you can see from all that we have said so far, there is much that is confusing about local government. What is more, the election process is going to be even more complicated than it was in April this year. You will not be able to vote unless you are registered on a voters roll. Votes will be counted on at least two bases — part of the result will be based on proportional representation, another part will be ward based. In the case of Metro elections there will probably be three separate ballots.

Then there are the immediate struggles. We need to ensure that the budgets of the transitional local structures begin immediately to meet broad reconstruction and development objectives. We need to campaign to ensure that national RDP resources do not go to local authorities that are failing to implement the Local Government Transitional Act.

The SACP also needs to make a strategic input into the broad democratic movement. Among some activists there is a tendency to see the local elections as **their** chance to have a trip on the gravy train. Some are arguing that civics must contest these elections in their own right. The SACP made an important input into the earlier national and provincial election process. We were in the forefront of calling for a transparent, ANC-led nominations process. I think we need to stress similar themes once more. ★

Indonesia: A criminal regime

Although there is generally very little information about Indonesia in SA, it has been receiving some public attention lately. At the beginning of September President Mandela, in his capacity as ANC President, paid a brief visit to Jakarta, capital city of Indonesia. According to some media reports, the visit was to raise money for costs incurred during the ANC's elections campaign.

The visit caused concern among Indonesian and East Timor solidarity circles. For instance Tapol, an Indonesia Human Rights Campaign based in London, wrote to Mandela outlining repression by the Indonesian military regime against its own people and genocidal policies directed against the people of East Timor. Tapol requested Mandela to at least raise these concerns during his visit.

If Mandela's visit provoked some attention in the local media, Indonesia has also occasionally been featured lately as an aspiring Asian Tiger (like the better known South Korea and Taiwan). The Asian Tigers, export-oriented, fast growth economies in the

Third World with generally authoritarian regimes, are being held up as examples that we in South Africa should now follow.

Indonesian background

Indonesia was colonised by the Dutch. In the first half of the twentieth century powerful anti-colonial movements emerged, including a very strong Indonesian Communist Party the (PKI). During World War II, Indonesia was occupied by Japanese forces. Following the defeat of Japanese militarism the Dutch attempted to reassert their colonial control, but without great success.

Between 1945 and 1959 an independent Indonesia developed strong democratic traditions, with one of the freest parliamentary democracies in the world. There were also powerful social movements, very large trade unions, peasant, women's and cultural organisations. The trade unions were able to launch actions to take over all the companies still owned by the Dutch. By 1957 almost all of these companies had been occupied by their workers and they were eventually nationalised.

Through this period the Communist Party was extremely influential and it was the fastest growing Indonesian party. But this liberal democratic system was progressively eroded by the Indonesian military. Extreme right-wing generals staged a series of mutinies on some of the islands making up Indonesia. These actions were basically designed to protect their smuggling and business enterprises, and to express their hostility to the Indonesian left.

In 1959 the military encouraged President Sukarno, until then a figurehead president, to disband the elected National Assembly, and to begin a campaign to replace political parties with various official mass organisations. In 1965 the generals launched a full-scale coup. Over 500,000 people were killed and hundreds of thousands of others were arrested. Left-wing organisations and parties were banned. Suharto, one of the right-wing generals was installed as president. This is the same Suharto who still rules in Jakarta.

Several dozen PKI prisoners remain in jail to this day. Six of them have been under sentence of death since the late 1960s or early 1970s. They are all elderly and ailing. The hundreds of thousands, who were arrested in the late 1960s for alleged communist sympathies and released many years later without charge or trial, still suffer grave violations of their civil rights. Even their children are discriminated against.

But it is not only communists or communist sympathisers who are incarcerated in Sukarno's jails. There are political prisoners right across the political spectrum, including Muslims, students and youth, and communities involved in land claims.

Among the most recent acts of repression was the June 21 banning of the country's three leading political weeklies, and the outlawing in August this year of the country's only independent trade union federation, the

SBSI. This latter action merits closer consideration — in light of the often heralded Asian Tiger path to economic growth.

In all sectors of life, the Suharto regime allows only a single organisation to "represent" that sector. For workers, the only trade union allowed is the SPSI, a sweetheart union, which sides with the bosses and acts in conformity with government wishes. In 1992 the SBSI was set up in defiance of this. The SBSI, together with a number of NGOs, succeeded in supporting or initiating labour disputes primarily focused on the appallingly low wages paid to industrial workers.

Following a strike in Medan, North Sumatra in mid-April this year, when about 50,000 workers took to the streets and were beaten up by heavily armed troops, many trade union leaders and NGO activists have been arrested and are presently on trial for "incitement". The General Chairperson of the SBSI, Muchtar Pakpahan, was arrested on 13 August in Jakarta and taken to Medan where he has been formally charged with "incitement".

Suharto's reign of terror has also extended beyond the borders of

Indonesia, most notably in the case of its ongoing illegal military occupation of East Timor.

East Timor

East Timor was, historically, colonised by the Portuguese. In April 1974 Portugal's old fascist order was overthrown by the soldier's revolt, the "Carnation Revolution". The political transformation in Portugal was, in part, the consequence of growing pressures on the Lisbon regime brought about by the armed liberation struggles in Guinea Bissau, Angola and Mozambique. But, as we know in southern Africa, the events in metropolitan Portugal were, in their turn, to have a very direct impact on the Portuguese colonies.

In East Timor, within a month of the revolution in Lisbon, two main political groups were launched. The most significant was the Revolutionary Front for an Independent East Timor (FRETILIN). FRETILIN had close relations with PAIGC, FRELIMO and MPLA. In October 1974 a group of Indonesian generals close to Suharto launched a secret intelligence operation (codenamed **Operasi Komodo**), aimed at undermining the drive to independence in East Timor. The operation successfully instigated a brief civil war amongst East Timorese parties, but with FRETILIN emerging victorious from the clashes, the Indonesians took their plans further. A full-scale invasion was prepared.

By September 1975 Indonesian special forces had infiltrated the country. Their presence was discovered by two Australian television crews, and the six newsmen were summarily murdered. The official Australian reaction to these unfolding events was to turn a blind-eye. The Australian ambassador in Jakarta set the stage for the policy in July 1975 when he cabled his government, recommending that the Australian government should "leave events to take their course . . . and act in a way which would be designed to minimise the public impact in Australia and show private understanding to Indonesia to their problems . . . I know I am recommending a pragmatic rather than a principled stand but that is what national interest and foreign policy is all about." Sadly, this attitude has characterised Australian government attitudes towards its Indonesian neighbour over the last two decades.

In December 1975 the Indonesian regime unleashed a full-scale invasion of East Timor, and the bloodbath began. The people of Dili, the capital of East Timor, were subjected to what one commentator described as "systematic killing, gratuitous violence and primitive plunder." In the early afternoon of December 9, 59 men were taken on to the wharf at Dili harbour and shot one by one, while the crowd was ordered to count. Earlier in the day women and children had been executed in the same way. There was the systematic slaughter of whole families. One Indonesian officer explained: "When you clean the field, don't you kill all the snakes, the small and large alike?"

In the course of the ongoing Indonesian occupation of East Timor,

at least 200,000 people have been killed. This amounts to one-third of the entire population. This is proportionately one of the worst cases of genocide this century. Human rights abuses by the occupying forces have continued unabated through the 1980s and 1990s. The worst tragedy in recent years was the Santa Cruz massacre on 12 November 1991. Some 400 people were killed when troops opened fire on mourners at a cemetry. Wounded survivors were killed that night at the hospital.

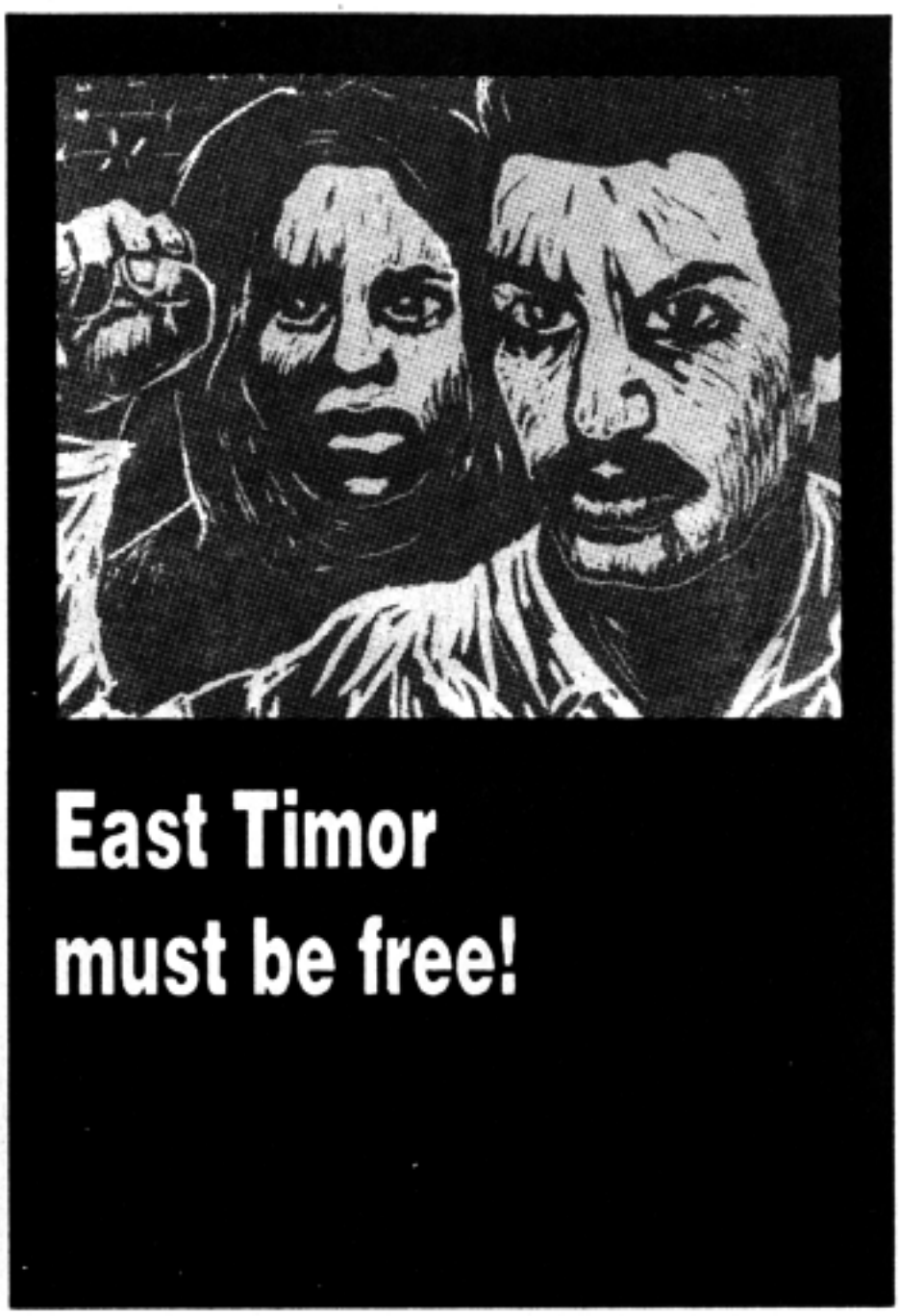
Xanana Gusmao, the leader of the East Timorese resistance movement was arrested in 1992 and is now serving a 20-year sentence in the Indonesian capital, Jakarta.

The Indonesian aggression against East Timor is in direct defiance of two UN Security Council and eight General Assembly Resolutions. Sadly, the major powers have not enforced these resolutions with anything like the resolve and haste displayed in the case of Iraq's invasion of Kuwait in 1990, for instance. Indeed, US ambassador to the UN, Daniel Patrick Moynihan boasted to Henry Kissinger in a secret cable about the "considerable progress" he had made in blocking UN action on East Timor.

Nevertheless, there are some signs of a growing international concern about this ongoing genocide that has been enveloped in deliberate silence for so long. The US has sent some signal about reconsidering Indonesia's most favoured nation trading status. The Irish foreign minister has recently called for sanctions against Indonesia. In Australia, in the face of official connivance grounded in commercial concerns, there is a growing solidarity movement. Earlier this year a major international solidarity conference for East Timor was held in the Philippines. Inspired by the brave stand of Bishop Belo, who remains in East Timor despite two assassination attempts against him, progressive Catholic groups have also become more outspoken on the situation.

Mandela in Jakarta

At a press conference at the conclusion of his private visit to Indonesia, President Mandela said: "I raised the issue of East Timor and of the oppression of human rights in Indonesia."



He was further quoted as saying: "President Suharto . . . gave me a good hearing. My appeal for dialogue was received positively."

Two days later, a Reuter's despatch from Jakarta (it was not carried in any of our local media) reported that "the Indonesian military has held talks with jailed East Timor leader Xanana Gusmao, raising for the first time the sensitive issue of a referendum in the troubled territory... sources said the meeting in Xanana's Jakarta cell...appeared to be linked with broader moves to establish contact with dissidents in East Timor."

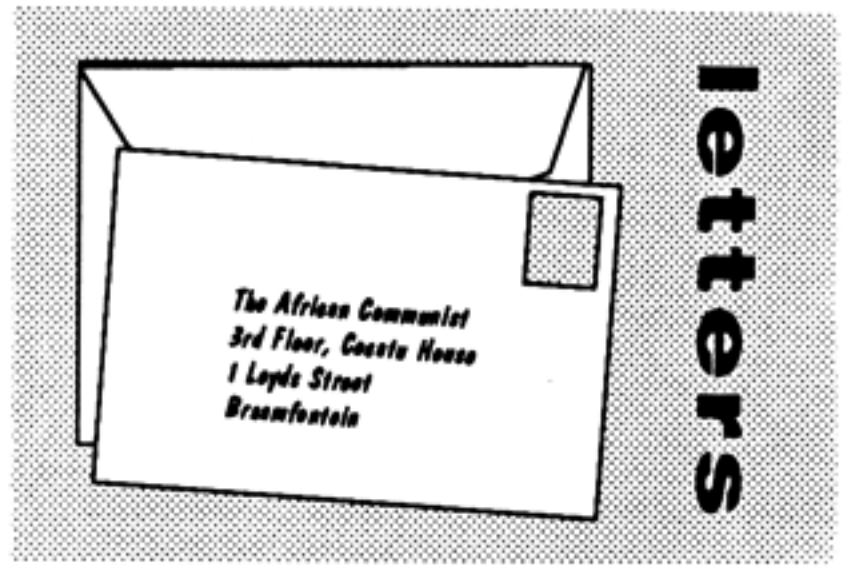
It is not clear what influence President Mandela's visit has had on these developments. At the very least, his raising of these questions will hopefully have reinforced internal and external pressures on the Indonesian military regime. And, hopefully, the South African negotiated transition can serve as something of a model.

But the opening up of tentative discussions with Gusmao have other causes as well. Ramos Horta, the main exile leader of the Timorese resistance, believes that the Suharto regime might be trying to make concessions before hosting the high profile Asia Pacific Economic Cooperation forum in November, which will be attended by many regional leaders and President Clinton. "I believe there is a rethink in Jakarta in military and intelligence circles, not necessarily that they have made up their minds, but that no longer is the issue of a referendum, or even independence, completely off the agenda", says Horta.

As South Africans we need to take forward the concerns raised by Mandela. We need to do this out of a basic sense of moral justice and international solidarity with the people of Indonesia and East Timor.

We are constantly being told to emulate the Asian Tigers, to pursue international economic competitiveness at all costs. Instead of blindly pursuing this (in any case unrealisable) dogma, we should campaign against the conditions that underpin the "miracle" of the Asian Tigers — authoritarian regimes, the suppression of basic human rights, the regimentation of trade unions and unbearable working conditions forced on workers, especially young women. ★

Dictatorship of the proletariat



In 1991 the Tshiawelo branch of the SACP suggested that we needed to discuss the concept of the dictatorship of the proletariat. The SACP's 1991 national congress did not discuss the topic, but it did agree to refer this issue to the regions. But nobody at national or regional level has attempted to introduce the issue for discussion. I find it imperative, then, to introduce this issue for discussion, based on my understanding of the dictatorship of the proletariat.

Dictatorship means an iron fist. There can be no dictatorship of the proletariat under the compromise government. There can be no dictatorship of the proletariat under capitalism. Dictatorship of the proletariat means power to the people. You must differentiate between a real workers' revolution, and the situation in which a majority of workers happen to support a certain organisation. When you speak of "supporting", it immediately means you are not part of what you support. In all reforms workers suffer. There is no proper revolution if workers are not leading.

Workers organised by public sector unions like SAMWU, NEHAWU and POTWA earn from R500,. even with long service, under the present Government of National Unity. But a minister elected four months ago earns more in a month than workers earn in a year. Do you think that there is any logic to that? In the new South Africa workers still build big houses and live in the squatters. They build cities and live in rural slums. Workers work with electricity by day, and light candles at night.

I want to say quite clearly, the SACP has the right to contest any election in its own right. It depends on ourselves to stand as a party in 1999 or not. It is important to discuss this issue and take a position. I would say we have to prepare for the 1999 election as the SACP.

I agree that Marxism does not have all the answers to all problems and questions that workers are facing internationally. Marxism is theory and practice, it is a living and changing reality. It is not a dusty set of old ideas. But, at the same time, we must not demoralise workers by always saying that Marxism is not a bible. I have never heard anybody saying that Marx is God, or that Marxism is a bible. We must encourage workers to read Marxism.

The dictatorship of the proletariat is a government of the working class. You will lose friends when you take this direction, but you will end up being a friend of workers and the poor.

Ephraim Thavhakuwe

Bury the dead

It is a hallmark of most religions to attempt to resurrect the dead. This is precisely what Dmitri Andreev was about in his 'Letter from Moscow: Has is it all collapsed?", (*AC no.137*). While raising some interesting and important facts, his letter lacks analysis. The reason for this is that an analysis would more clearly expose the logic of the author, and the bankruptcy of that logic.

No matter how arbitrarily the USSR was dissolved, the fact of the matter is that the former USSR is now fifteen or so independent republics. Each of these republics has its own brand of nationalism that would violently oppose any resurgence of the USSR. It is true that some old links have been retained, it could not be otherwise. Every nation needs close relations with its neighbours. However, Andreev's suggestion of resurrecting the USSR is fraught with danger. And why resurrect it any way? We should analyse the past, not live in it.

The canonisation of Lenin in the Stalin period was one of the greatest crimes against Marxism. The placing of Lenin's corpse in a mausoleum against his express will is hardly in the traditions of Marxism. It is, however, entirely in line with the centuries old Russian Orthodox practice of venerating a saint. This also holds true for all the statues and portraits of Lenin (Russian Orthodox style icons). Yet, Andreev considers it a victory of communists to prevent Lenin's will from being carried out! This was to have his deceased body interred alongside that of his late mother.

Andreev goes on to detail a fairly valid list of complaints against the present Russian government. But the gravest crime in Andreev's eyes is what he sees as the "destruction of the country". This is a curious phrase. Why would a Russian capitalist government or the West want to destroy the country? Don't they want to build a capitalist Russia, instead of a socialist Russia? Yet this is not what Andreev says. His language is that of an out-and-out right-wing nationalist. There isn't even a tint of socialism in it. Even Afrikaner nationalists, earlier this century, toyed with socialist slogans and sentiment.

It is only by combatting nationalistic demagoguery that communists in Russia can begin to rebuild a post-perestroika party. Tragedy will be the only consequence of their religio-nationalistic hankering for pre-perestroika days.

The dead must be buried. Let us fight for a socialism of the living.

Simon Stevens
Perth, Australia

Where to contact the

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Fax: (011) 331-2871
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NORTH WESTERN TRANSVAAL
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Phone: (018) 462-1395
Fax: (018) 462-6996
Contact: Shawn/Thabo

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Twin City, Shop No.83,
Van Riebeeck Ave,
Middelburg 1050
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Fax: (0132) 25647
Alternatively: (0136) 51217 or 651711
Contact: Gladys/Matthews

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Durban 4001
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Fax: (021) 47-7167
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Fax: (0471) 311-745
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BORDER
King's Theatre, Macleans Square, King Williams Town/ PO Box 2962, King Williams Town, 5600
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Fax: (0433) 22673
Contact: Nomvuyo

NORTHERN TRANSVAAL
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Fax: (057) 353-4388
(Call first)
Contact: Pitso or Mphale

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